

Example of benefits and drawbacks of adaptation essay

[Business](#), [Company](#)



1. Benefits and Drawbacks of Adaptation Answer to question using essay format

Zebra Corporation is based in the United States and wants to begin selling its main product, laser printers for personal computers, in Russia. Generally, laser printers are made from standard parts. However, when sold internationally, some modifications are made to adapt the product's power supply (e. g., voltage requirements and shape of the plug for electrical outlets) and internal software to suit specific language requirements. Zebra management is developing an international marketing plan to decide on the design of the printers that it will sell in Russia, as well as their pricing, promotion and distribution, among other things.

EXECUTIVE SUMMARY

Zebra Technologies Corporation is a leading provider of international range of innovative technology solutions for business enterprises across the globe. Zebra's products include safe and affordable printers, state of the art software and hardware solutions. Zebra's emphasis on sourcing, visibility, security, and accuracy has enabled its customers to meet their needs at the required time. Currently, Zebra is a global leader in serving over 90 percent of Forbes' top 500 companies across the globe. This document highlights Zebra's business plan for a Russian market starving for Zebra's products.

1. INTRODUCTION:

Zebra Technologies Corporation (NASDAQ: ZBRA), in conjunction with other partners, aspires to create a smarter and connected international business

community. The company has an across-the-board selection of bar code, receipt, card, kiosk, and RFID printers and supplies, as well as current locality solutions; Zebra provides a digital influence to assets, people, and transactions to provide greater visibility into mission-critical information. Zebra was incorporated in 1969. The company's headquarter is in Lincolnshire, Illinois. In addition, Zebra has 50 agencies worldwide. Today Zebra boasts as the most comprehensive go-to-market channel network in the industry. By 2012, the company had shipped over 10 million printers to customers in over 100 countries (Zebra Company Information, 2012).

2. CULTURAL ANALYSIS

(i) From Zebra's standpoint, what are the main advantage(s) of selling a standardized product in Russia?

Globalization has brought greater demand for products with needs for regional and international standardization. On the global scale, many customers prefer the global consistency and quality assurance that come from standardization of products. For suppliers, standardized products allow the manufacture to supply products to different markets with different rules and regulations. Standardization of specifications, components, and manufacturing details allow the global consumer to simplify its supply chain management. Customers therefore get used to product that not only meet their needs, but are also conditioned for their country's standards (Yip & Binky 2007).

Based on this general law, Zebras' venture into the Russian market will

require that the company standardize its products to meet the Russian need. First, the printers sold to Russia must adapt to Russian voltage requirements. In the Russian Federation, electricity is 230 volts that alternate at 50 cycles per second. Any instrument made outside Russia that does not meet these requirements must use a voltage converter. For Zebra to be user friendly, they must ship printers in Russia that are already made for the Russian voltage system to avoid inconveniencing the customers by having them buy additional converters.

Second, many people in Russia speak Russian instead of English as an instruction language. It is essential for Zebra Corporation to manufacture printers that have Russian instructions instead of English. This way, the Russian consumers will have enjoyed using the products as their own instead of feeling that the products are foreign.

III. COMPETITIVE ANALYSIS

Strategy

(ii) What are the main advantage(s) of adapting the product for selling in Russia?

Standardization employs the use of trans-national strategy. In a transnational strategy, a firm develops a plan to produce and sell standardized products in different markets. The advantages of standardization are that the firm has the potential of combining the benefits of global scale efficiencies with the benefits of local advantages in the market. The actual choice of a strategy is a function of the conditions in the

firm's internal and external conditions. These conditions must be defined by opportunities, which are conditions in the firm's general industry that makes it possible for the firm to achieve its short term and long-term goals. The opportunities are contrasted with threats. Threats refer to the firms the obstacles that prevent the firm from successfully using its competencies to gain an advantage in the market. For firms to make profits, they must assess the trends in the general environment and assess the effects of competitive forces in the industry to formulate policies that can maximize profits in the global market arena.

Competitors

Zebra Technology's main competitors in the global arena include companies such as Interme Inc, Sycan ID Inc, DataMax Corporation, PressTec Inc amongst others. Zebra's technology had an upperhand compared to its competitors thanks to the company's efficient operations, increased safety and security and compliance, broad global market. This success led to an increase in revenue, reduced operation expenses, and reduced capital expenditures. Moreover, the company's leading global brand, extensive product line, large and diversified customer base as well as its financial strength enabled the company to navigate through the financial recession unscathed.

Market Share

In terms of hardware solutions, Zebra controls 75 percent of the global market share. In Russia and pacific zone, Zebra controls 26 percent of the supplies in the software solutions. The company also witnessed sales growth

in Russia, which is a sign of success thanks to selling products with Russian language. In addition, the good reception could be attributed the quality and efficiency in product delivery.

Finances

Financially, the company approximates a gross margin of approximately 50 percent with an operating margin of 20 percent. The company also enjoys a \$ 100 million annual cash flow with a zero debt analysis according to 2011 company financial report.

Threats

Generally, customers use global agreements to boost their bargaining power in securing the best terms for business. The dilemma associated with this is that it limits international businesses ability to maximize profits. While in international business agreements are the obstacle to profit maximization, they also facilitate ease of doing business. Russia's absence from the World Trade Organization obviously compounds the biggest threat to Zebra Technology from realizing its objectives in Russia. The advantages of joining the global standards for business include the following. First, it becomes easy to sell higher value added products globally if the economic system is managed. Second, the cost of serving the customer is lowered with less bureaucracy and limited taxation. Third, global agreements open doors for further geographical expansion (Yip & Bink 2007). Zebra Technology would have fared well if Russia subscribed to these standards.

3. MARKETING PLAN

(i) Zebra management is concerned that its pricing might be too high, given the lower income level of typical Russian consumers. What steps can Zebra take to help reduce the pricing on its laser printers for sale in Russia?

Pricing

Pricing is decisive to the company's achievement. Realizing a considerably improved price overall across all transactions has a remarkable impact on the profit margins. As such, improving, prices and thwarting price erosion in dealings or contracts should be chief for a company in search of progress in its profits. Pricing can be a complicated case if the contract involves an international company in a country with different earning power. Zebra Technology dealings with Russia present such a case. In order for the company to handle the pricing difference that occur due to income difference between the United States and Russia, the company will embark on marketing plan that bases on promotions to create brand loyalty. If the company increases its customer bases, it will sell more and this cover the deficit that accrues from low prices. The more the company sells, the more it will compensate for the low prices.

Conclusion:

Plethora of reasons weighs for a company's choice of location and to a large extends operation. While many of these factors such as the presence of resources, capabilities, and knowledge are internally driven, other factors, however, arise outside of the entity. In international business, these aspects are classified into five broad categories: political, economic, social,

technological, and competitive forces. The American technological industry is not an exception to this rule. Zebra Technology Corporation is a leading globally oriented technological company located in the United States. The Company possesses a large market share technological software and hardware solutions globally. Zebra's entry into the Russian market is new challenge that the company must find a new strategy to mitigate.

Standardization of Zebra's products to meet the Russian market demand will be a key part of the marketing plan.

2. Selection of Countries for Global Business and Strategies for

Participation answer to question 2 on essay format

Selection of Countries for a Global Business and Strategies for Participation

"?? Instead of selecting country-markets on the basis of stand-alone attractiveness, managers need to consider how participation in a particular country will contribute to globalization benefits and the global competitive position of the business."?? Being a serious global player means much more than simply having X percent of your revenues from outside the USA and being involved in Y number of countries. "?? Being present in ten countries that include the United States, Japan, and Germany is far more important, in most industries, than is being present in thirty countries that exclude these three but include many small, less advanced countriesTo have a global level of market participation requires significant global market share, a reasonable balance between the business""? s geographic spread and the market""? s spread, and presence in globally strategic country-markets."??

Introduction

Globalization was the catchphrase of the 1990s. The intensification of globalization in the twenty first century shows that there is no indication that globalization will ebb. Technological improvement has increased the ease and speed of international communication and travel. Globalization is marked by integration of markets and finance, the triumph of free market over protectionism, and the creation of a global culture by the forces of technology. For the purpose of this paper, globalization is a reduction of political barriers between national economies resulting in a change of the state and the application of sovereignty such that no particular entity can operate on its own. This technology-enabled acceleration produces a new complexity in vulnerability that has cultural and social implications and requires adaptation across all jurisdictions. It is important to explore how business will have to adjust to the new paradigm of doing business in order to exploit the opportunities that come with globalization. To have a global level of market participation requires significant global market share, a reasonable balance between business and feasible geographic spread of the market. This paper documents some of the strategies that firms must adhere to reap the benefits of globalization.

The Encyclopedia of Business highlights strategies that a globally oriented firm can use to formulate its entry into the international global economy. According to the Encyclopedia, a firm considers four facets that comprise the overall international strategy. This strategy would serve as a platform that defines how the company formulates its home and away operations.

Included in the strategy is:

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Scope of Operations

Resource allocation

Competitive advantage

Synergy

i) What are the most important criteria for determining what are, and what are not, globally strategic markets? Please describe these criteria in detail and provide some relevant examples.

Scope of Operations

Scope of operations includes the geographic locations and regions upon which the company aspires to do business. Because of the variety in opportunities, companies must choose how best the company can use their limited resources for effective returns. While making this decision, companies must be aware that markets, supplies, investors, can be found across the globe. However, a careful analysis of the benefits that accrues from geographical expansion must be considered while taking advantage of the returns that geographical expansion can bring. In order to make rational choices, companies need to understand similarities and differences across different markets. It is helpful for companies to identify limitations on trade, including tariff levels, regulations, and standards. In this scope, some markets are favorable than others because the countries offer favorable markets than others. For example, while choosing between China and Japan, a company will have to trade off between regulations and market share. While China offers a bigger market thanks to its population size, the company will have to deal with constraints arising from limited freedom and

ease of doing business. Compared with China, Japan offers a relatively smaller market but with a high purchasing power and freer political environment.

Resource Allocation

The company's resource allocation requires the use of resources conservatively to facilitate an over the edge advantage to other competitors. This requires planning on the approximate returns that a company acquires from taking the risk of expansion. One trade off that a company can make is whether to specialize in one given area of production or to expand geographically. Making the decision to acquire a new market is cost vs. time decision. The company must think through the initial costs of manufacturing, facilities, inventory, and employees, promotions and other entries. If the firm is entering a new market, the company will have to change language of instructions for the products plus other details.

Competitive advantage

An aspiring company must make a decision where the company can attain competitive advantage over other corporations in the country that they want to explore. The company must have an edge over its rivals in terms of technology, distribution system, market base, and efficiency. Companies must have efficient organization skills and distribution skills to realize competitive advantage. This is only possible by focusing in leading economies like Germany, Japan, United States, or any other leading countries. It can be a daunting task to create competitive advantage in several other countries at once.

Synergy

Companies are now using different methods to ensure that they stay afloat of the competition and maximize their profits. Outsourcing has become an instrumental tool that companies use to save cost of operating at minimal cost. If the geographical span is broad, it becomes impossible to outsource and operational costs sky rock (Yip and Bink, 2007).

ii) What are the specific benefits to the firm of participating in globally strategic markets? Please describe these benefits.

Benefits of Global Marketing

The world offers a very big market for companies to exploit. Because of globalization, firms are given unlimited opportunities across the globe that they can effectively exploit for their own benefits. The global market, when effectively used, provides a room of expansion. However, for companies to reap the benefits of globalization, they must be ready to play with the rules of the games. First, the company must be ready to meet the needs of all its customers across the world. Coca-Cola Beverage Company is perhaps a classical example of a company that has used the global market to expand its operations unrivalled with any beverage company. Establishment of the global market brand and customer base is thus one of the biggest advantages of global marketing. Coca-Cola has achieved this status by tactful advertisements and promotions aimed at luring consumers to feel that Coca-Cola represents their own taste. Coca-Cola sells the same product worldwide but standardizes the product to meet the needs of its customers based on cultural preferences.

In addition to an exponential increase in costs, a company that establishes a global market garners the advantage of decreased advertisement costs.

Advertisement costs reduce because as the company gains worldwide recognition and builds a worldwide network. The scope of the company will increase and the company will become larger and productive. Apple-United States is an example of a company that has realized the benefits of global marketing and expansion of its geographical coverage.

iii) International joint ventures represent a special case in global market participation. Why are they considered a special case? What factors must managers consider when setting up international joint ventures, within the framework of global strategy?

International Joint Ventures

The joint ventures involve two or three legally distinct organizations coming together in making decisions in order to reduce the cost of operation. Joint ventures are favorable because they make competition between multi-domestic and international firms feasible. The multi-domestic firms usually have an upper edge over new international firms. With joint ventures, firms can combine and counter the competitiveness of the already established domestic firm. Joint ventures represent an effective way of coping with increasing competitive and technological challenges of today's world.

However, joint ventures have received backlash for poor performance and complication in decision-making.

The word joint venture defines the purpose of the entity and does not define the particular legal type of entity. The complexities of joint ventures are what

make them a “ special case” especially in matters concerning tax and liability. Legally, the joint venture is organized to be a separate legal entity responsible for its own taxes. The contractual joint entity is not liable to taxes since it is defined as a partnership. While entering a joint venture, firm managers should be aware of the legal requirements for such operations in the countries they want to do business. Managers must also be aware of the advantages of joint ventures such as sharing risk, and ability to combine several chains for strengths as well as giving a foreign company the ability to enter a locked foreign market if the government restricts foreign ownership (Prahad, 2011).

Conclusion:

While planning to operations abroad, companies but strive to position well for the business climate overseas. Apart from responding to external forces, companies should also attempt to influence them. Companies ought to innovative enough not to be susceptible to influence but unable to change the environment for the positive. External factors in business are largely beyond the control of a single organization. However, how can a firm influence the external factors that affect it? For the political and legal forces, a company must become law abiding by relating to changes in laws and regulations. Keeping within the law allows a business to find ways that the new law affect how they must behave. Businesses can make use of new economic forces by ensuring that they use the bulging economy as an opportunity to make profits. This way, they welcome rising living standards among their customers. Socially, a business ought to welcome changes in

the nature of the population, as well as in consumer culture and how the change affects buying patterns. Technology enables businesses to acquire new ways of doing things courtesy of innovations. Moreover, technology facilitates cost reduction while creating room for the development of new products.

References

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