

Strategic management



**ASSIGN
BUSTER**

Strategic Management Assume you are in charge of strategy development for an MNC selling products in around 50 countries. Out of multi-domestic, global and transnational, which strategy would you prefer if:

1. Your company's product is mobile phones,
2. Your company's product is dry soup mixes and canned soups, and
3. Your company's product is large home appliances.

Answer to Part 1

For mobile phones, global strategy is better suited due to:

The product comprises standard features like call, messaging, audio functions, memory, et cetera across the countries.

Incorporating local demands into the product would mean a high R&D and product development cost which is not feasible.

Standardization of product (mobile phone) will make marketing and operations similar and cost effective.

Answer to Part 2

In case of dry soup mixes and canned soups, multi-domestic strategy seems to be more advisable.

In this strategy, product features are altered/tailored to meet the specific needs of the local region (Ireland, Robert and Michael 155). The product in question differs in taste, composition, ingredients, et cetera across regions, which calls for multi-domestic strategy. Local responsiveness has to be applied in order to make the product acceptable across nations.

Answer to Part 3

For large home appliances, global efficiency as well as local differentiation is required. For example, in case of washing machines, basic cleaning and washing function is standardized but front/top loading, single/double tub,

<https://assignbuster.com/strategic-management-essay-samples-16/>

height of the machine, et cetera depends on the environment, local people and habits of the natives of the region.

For such products, transnational strategy is to be adopted to combine the elements of local and global efficiency.

Work cited

Ireland, Duane. R; Robert, E. Hoskisson and Michael, A. Hitt. Understanding Business Strategy: Concepts and cases. USA: Cengage Learning, 2008.