

# Choosing a global strategy—which one?

[Business](#), [Strategy](#)



Snapchat Inc. should follow Global Standardization Strategy as their global strategy for expansion. As growth opportunities in USA is shrinking each day and transferring of business model to foreign markets can be done so global expansion for Snapchat Inc. is inevitable. Since Snapchat Inc. has high pressure for cost reduction and relatively low pressure for local responsiveness so Snapchat Inc. should opt for Global Standardization Strategy.

This strategy emphasizes on efficiency and forgoes the responsiveness to local markets. Like all the renowned social media platforms, Snapchat Inc.'s main service Snapchat is free for its users and Snapchat can't be monetized otherwise it will lose the user base. On top of that, advertisers use Snapchat's platform to conduct promotion and marketing of their respective products and Snapchat charges a commission fee. As Facebook is a dominant player in the industry and acts as an industry standard so there is high cost pressure for snapchat to replicate or further reduce the price for advertisers to use the platform. As a result, cost remains the same or goes down and profitability of Snapchat Inc. improves.

Since Snapchat Inc. follows a Global Standardization strategy so its marketing, production, and research & development division concentrate on producing standardized products. By marketing a standardized product, Snapchat Inc. can be benefitted from scale economies.

For example, Snapchat Inc.'s spectacles, snapchat app, filters etc. are standardized; no customization is done to their product offerings and marketing strategies to be locally responsive. This is done for shorter

production run involvement and low duplication of functions to adjust for high pressure for cost reduction. This cost reduction can help positioning Snapchat Inc. to pursue aggressive pricing worldwide. For example, if Snapchat Inc. charges less commission money to advertisers than the industry norm then Snapchat Inc. platform becomes more lucrative to the advertisers and thus it can aggressively penetrate the market by letting advertisers using the platform to generate more revenue and boost reach. Since Snapchat Inc. serves more or less the universal need for sharing photos to peers so global standardization strategy should be implemented. Although keeping essential aspects of their services intact, Snapchat Inc. has to do minor readjustments to expand into foreign markets. For example, Snapchat Inc.'s Snapchat is adjusted with Bengali font/geo filters.