

# The difference between standardization and differentiation of goods



**ASSIGN  
BUSTER**

## **Differentiating Goods**

### **International Marketing**

#### **The difference between standardization and differentiation of goods**

International market is wide scope which comprises of many factors. These factors are essential for the maintenance of businesses competitiveness of the services and goods being delivered by an organization. In marketing a product or services, the marketing team has the privileges of collecting relevant data from its market target which quite fundamental is products and service improvements that enable the maintenances of high competitiveness in the international markets. In the international markets, there numerous kinds of products which are exposed to the consumers to makes choices of own desires. The wide varieties perhaps easily confuse the consumers and this leads mistaken choices of products by the buyers. However, to avoids such kind of unrealized confusion which are mostly in the international markets, business organizations and manufacturers gets engages in either one of the two activities to create uniqueness of their products that is easily distinguishable from other products of the competitors' products.

The words standardization and differentiation have enormous meanings depending on the fields where they are being applied. The terms are most misused in when are used in reference to products in marketing field. The term product differentiation which is normal referred to as differentiation is used in marketing to refer the process of distinguishing the differences of a product from others. This is aimed at making it more attractive while the manufacturer or producers are targeting a particular market. It is widely

<https://assignbuster.com/the-difference-between-standardization-and-differentiation-of-goods/>

used in the current worlds over for several reasons. The process of differentiation involves the identifying the other competitors products as well as other products from the same firm. It is therefore a very crucial process that differentiates the product from competitors' products and further the products produced by the particular company. Simply y, product differentiation is a process of detailing the differences that exists between products and services. Mostly the product differentiation process is carried out in away that at the end of action, there is a unique aspect of the product. In addition, the end results must show the sense of value to the buyers. In order to undertake product differentiation, there are several sources which may triggers this are such things like differences in quality. This one is obviously accompanied by a relative transition prices. Others arise from the various differences in functional features and a design which may be having causes the consumers to these products. This requires implementation of essentials characteristics and qualities of goods. (Leonidou, 1997):

On the other hand, standardization of product is the approach for increasing commonality of a product in the supply chain management. Standardization concentrates on the use of the common products or processes to satisfy the heterogeneous needs of these consumers. It is therefore the one which enables the designing of an overly robust product through the use of the robust process which enables the higher access of the product by the consumer. This is checked by the use of increased productivity. A standardized product does not need to have all the characteristics of the other products the buyers require. However, research demonstrates that standardization often results in improved efficiency. The standardization of

products is thus the enabling the high productivity hence companies takes the advantages of economy of scale. It is also aimed at simplifies the process of manufacturing by enabling a company to concentrate on producing particular products which are on higher demands in the market places. The process of standardizations is thus different from the process of product differentiation in the fact that standardization is mainly creating a commonness of the products in the markets thus making the consumers to purchase more of it than any other commodities as well as reducing the cost of the company's productions costs through massive product production.

(Waheeduzzaman, 2005)

### **Discussion on whether the products of international firm in United kingdoms are standardized products or differentiate product**

#### **Sony Company**

Sony Company which is one of the largest companies in the United Kingdom produces a numbers of electronic systems. The wide ranges of items are distributed from the United Kingdom to all other parts of the world. These products include radios, televisions, computers, DVD players, video cassettes players, walkman radio camera as well as laptops, digital photo printers and many more others. The company being an international firm needs to have its products either standardized or differentiated to have better competitions in the international trades. Sony products are more available in the market. The products of the Sony Company are wide used in the markets. Although there are many other competing products of others companies, the products are very much uniquely produced. However there are some of the products which rarely are distinguished from other products of other companies. From the business analysis, the company is said to have substantial increases in

<https://assignbuster.com/the-difference-between-standardization-and-differentiation-of-goods/>

the sales of differentiated products during the year of 1998. This was from its differentiations of its product of television

The company devotes its much effort on technology innovation to come up with quality products. Its has several launched innovative products that have been of the first kind for many years. Such products on the market places have been embraced by the consumers with high gestures. Furthermore it is depicted from many consumers resources information that the company produces quality products which are durable than any other companies. Thus, the products from such a company has created cooperative relationship of the consumers and the firm through the development of new devices

Through the operations in the production, Sony has faced several difficulties in selling its products due some factors holds in some of their products. Hence, the cost is so high and the profit margin is low. Sony has established many factories throughout Europe, the U. S. and Japan adopting local manufacturing point and distribution channel which is making their products to be common in the markets. Nevertheless, with the development of global production, there are several disadvantages of the mode of production. The product cost of production in the various countries are varied hence productions of differencing products is quite high in orders to lowers this cost. For instance, the labor force in the United kingdoms is more expensive than others countries like in those countries based in the Asians continents. With this varying kind of productions bases, the company has been faced with some difficulties due to imitations from other firms producing similar

goods. (Leonidou, 1997) Get help with your essay from our expert essay writers...

The Sony Company can be seen as a company in the view that it considers technology as core factors to its productions. Most of its products are not produced to come conspicuously in the external view which may make them be differentiated products. However, the management of the products is highly produced with the current based technologies depending on the market demands. Mostly the wide varieties of products in the shops and many market places make the company receive high returns on sales. This means mostly it is the robustness of the products which is boosting the company income.

The company products are similar in many physical functional structures. Most of the Sony radios have black and also most of the Sony camera products resemble the other Sony products as well in terms of colors, shapes and general designs. This has created clear indications of no differences in the company's products. Although, the company has for long times tried to adopt the differentiation of products process, this has not been adequately implemented. The president once said 'differentiation of products is a core factor to success in our company's competitiveness' he added that our products are facing huge imitations from other companies which are not cooperative relative in the countries and the world over. The flat DVD player's products are highly resemblances of the erosion model. Such similar products have given the company an added advantage on their marketing in the international trade. It is claimed the Sony company loses 5 percent of the sales of this product globally due to confusion of the consumers.

<https://assignbuster.com/the-difference-between-standardization-and-differentiation-of-goods/>

The preferences of most consumers is to purchase the one from the Sony but as the similarities in the appearances of the products of the two companies concedes with each other, a few consumers find it difficult in distinguishing the two products by manufacturer models. This lack of differentiation has soaked up Sony's potential profits. This is a major reason why for the prices of Sony's products to be more expensive than their competitors while the profit margin is lower than of their competitors.

(Waheeduzzaman, 2005)

In order for the company to strengthen the market, the company has strong based on its innovation characteristics; hence Sony releases its new products with brand names which are different from the other products by code of indices. This new idea helps the company from searching for numerators brand names while maintaining the robustness of their products. In the manufacture of new brands, the Sony company sets on a number of considerations which should be adhered to produce the product. This is achieved through drawing the procedures to be followed while manufacturing their particular product. It is the base requirements which are put in place which guides the manufacturers on the step to follow as to attain to the final product required. However, most final Sony products are in many ways not quite different from those which were previously produced. (Tiger, 2000)

Based on the above disclosures of information, the Sony company produces are largely standardized products. This is because the products are manufactured following some minimal requirements. Furthermore the company has got engaged on massive productions of its products. The <https://assignbuster.com/the-difference-between-standardization-and-differentiation-of-goods/>

makes the company's products to have exclusive commonness in the market. However, this is enabling the products to be distributed globally without delay. The high productivity of the produces with no much varying features makes the consumers to buyers more of the produces. The company strategy has enabled it to have their products to be faced with some adverse conditions when several others companies produces similar or closely similar imitations of the products. The sonny companies seem to have a sort of rigidity on standardizations. This is depicted on the some of the innovations. For instance, Sony's psp systems use their only now music cards which is not compatible to any others musicals systems from its own products or even from other company. This rigid is said to have some negative results on the market places. One of the reasons is that the products are only applicable for use on its own specific products, most consumers frequently prefers a flexible system hence their results into customers drain. (Levitt, 1993)

### **Reasons for Sony deciding to standardize its goods**

The Sony Company had an array of reasons for standardizing its goods. While the company decided to standardize it goods there are many advantages that it could accrue from such standardization step. This helped the company in technical interworking with the other companies which are set up in the different parts of the continents. The company having similar methodology in the procedures of production process, then there was increased coordination on the sectors of productions with the other related companies on the others side of the states. The company was also able to remove the problems of complying with the international standards in which



it has opened its distributions centers. This has great advantages on the removal of delays in the distribution course. In addition to the above reason, the company's decision on the standardizations was a way of promoting the firm on the practice and knowledge. The standardized goods means used of particulars procedures, hence the industry to concentrate more on a particular type of procedures. The particular kinds of practices are improved with every new brand which company produces. The specialization on the leads to promotion on industry practices as they become common trades for its products. (Leonidou, 1997)

When the company standardizes its products, it is not possible for other competing companies to use similar standards as those other company. Such impossibilities help the company to have basement on comparing its products with others on different kind of factors. These factors include durability and others. The compliance of certain standards are therefore used to measures the company's leadership in technology. The company's decisions can be justified on others factors which include the economic and commercials advantages. The products have satisfied requirements which meet many political and economic requirements in the international trade needs. This enables the company to have its products widely accepted in many countries. This provides the company with the opportunity of widening its market size. This further creates the room for better competitive implementations in the market places.

The company reduced its costs through integrating standards which are applicable to many states. Product standardizations which achieve the required set standards are easily distributed in all parts of the markets. The <https://assignbuster.com/the-difference-between-standardization-and-differentiation-of-goods/>

practices then enable the company not to incur losses and costs from delayed distribution. This avoids the delayed distributions in stores and warehouses in the different states. Finally, there are some risks which are involved on productions and distributions of commodities. The standardization of products removes considerably major risks which may occurs to produced product. The Sony Company being an electronic manufacturer cleared the risk of chemical explosions of some of the gadgets. This in turns gave the consumers certain confidence in some extent removing the risk of on the consumers. The restoration of the consumers' confidence was a key factor on the improvement of the good reputations in the markets. This reputation on durables commodities has since then been in existed. It has played a major role in the repositioning of the company in the competitive product productions. (Levitt, 1993)

## References

- Leonidou, C. (1997): Product standardization or adaptation: Bradford: Vol. 2, pg. 43
- Levitt, T. (1993): The Globalization of Markets: Harvard
- Tiger, S. (2000): The relationships between market-driven learning and new product success in export markets: London: Vol. 19, pg. 476
- Waheeduzzaman, A. (2005) Trends and Development in Standardization Adaptation Research: Journal of Global Marketing, Vol. 17: p25- 30