

Glocalisation Strategies Being Employed in Indian Retail Sector during the times of Crisis

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Abstract

Due to interlinkages of markets and countries something happening in one country affects all the other countries linked to it in one or the other manner. During testing times it becomes difficult for the company to reposition itself or gain back the faith of the customers. It is seen over a period of time that the products and services being offered see a world of change in their positioning during recessionary times. With the ever changing positioning strategies being employed by countries globally, local companies also have a makeover so as to increase their acceptability. This paper is an effort to understand the various strategies which can be employed by companies to combat the recession in the process of offering the products and services to the ultimate consumers. With the advent of rapid changes in technologies and global inter-linkages the customer's periphery has also extended to include the global customers. In addition offerings have to be customized nowadays to suit the needs of customers specifically. During such times, efforts are made to incorporate the impact of recession on marketing decisions and the adjustments in marketing strategies and action.

Introduction

"Never give in.. never, never, never, never, in nothing great or small, large or petty, never give in except to convictions of honour and good sense. Never yield to force, never yield to the apparently overwhelming might of the enemy"

- Winston Churchill

"Glocalization" is a recent concept which has emerged with the advent of the human beings ability to cross all sorts of conformance. The marketers in today's taxing times play a very pertinent role in influencing the buying habits and preferences of consumers. Glocalization is a concept which has originated to answer this issue of satisfying the consumer who does not belong to your peripheral boundaries. Thus, it can be defined as a process of globalizing a product or offering to adapt itself to another locality or culture.

The importance of customized offering cannot be ignored for any sector in a business set up. According to, Shelton Waggener, the CIO of the University of California at Berkeley, the importance of providing a framework for both global solutions and local customization cannot be ignored.

Glocalization involves winning in the diverse market scenario by maintaining the brand logo, the key message and the underlying philosophy. Also added to it should be localizing the brand elements to offer customers an authentic local feel. This sort of a model is increasingly becoming the preferred business model for global brands.

Evolution of the Concept

The evolution of the term "Glocalization" can be traced from the Japanese culture where a word "dochakuka" means global localization. Within the Japanese business practices this concept refers to a way of adapting farming techniques to the local conditions. Since then this simple concept has evolved into an important marketing strategy. Businessmen from the same country adopted it initially. Later, in the 1990s it was used in the Global Change Exhibition in the German Chancellery in Bonn. Here, the concept was depicted as the interplay of local-regional-global interactions indicating the depth of the space presented and drawn.

The concept was later popularized by a number of sociologists. In the 1990s Roland Robertson, in the late 1990s Keith Hampton, Barry Wellman and Zygmunt Bauman have used the concept to refer to people who are actively involved in both local and global activities of friendship and commerce.

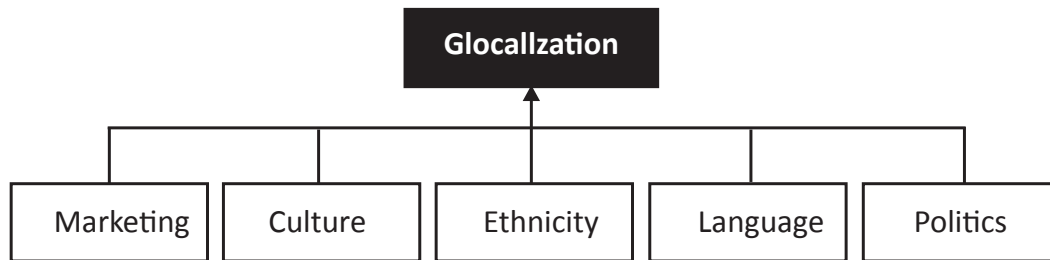
Literature Review

The study is rather exploratory in nature. Extensive literature review was undertaken to identify various facets of glocalization owing to its promise during turbulent business periods

(i) Localization is neglected as a Process:-Globalization, in contrast to localization, is often seemed to be an omnipresent. Localization is almost invariably ignored. But the effect of local forces at work cannot be ignored. They often hamper the development of global processes. These forces can be recognized to prevent or modify the plans for global corporate enterprises. Thomas L. Friedman in *The World is Flat* talks about how the transformation internet has made possible, like websites in native languages.

(ii) Reconsidering Frames of References:-The concept also stresses the need to understand that "local" and "global" are two sides of the coin and are important to understand the local and global research and management. In the year 2008, the Glocal Project created at SurreyArtGallery had contributions from the people around the Globe and local ones from Surrey community.

(iii) Marketers need to be Globalocal:-This is in line with the above concept. Marketers have to adopt an approach targeted at the entire World but with an impact on the local market or area. It is thinking on a global scale and acting on local. The diagram below highlights the various aspects covered in this process.



(iv) Core Element – Knowing How Society Communicates:-The basic element during tough times emerges to be the intelligence of marketers to understand how to react. Marketers by far should be able to understand how the society reacts and thus should understand social media. The need to strategize has increased more heavily than ever. Companies increasingly need to incorporate the social media aspects into their offerings to enable effective business operations. Social Media Marketing should be put to use effectively because no matter what the grass root reality is the poor condition of the markets and economies as a whole. Efforts should be made to minimize on expenses and use innovative tactics to reduce the overall cost. It is not that using social media marketing like Twitter, Facebook or Youtube success can be achieved overnight but they at least help one in getting started during such miserable time of shrinking dollars.

(v) Explore New Dimensions:-During tough times rather than focusing attention on cutting costs marketers should try to put energies in exploring new techniques to re-evaluate the marketing done. Efforts should be made to cautiously find out what is working for the company and what is not. The approach should be more goal oriented in nature and from which good results can be expected. Good results are also linked to the product or service offered being more innovative in nature.

(vi) Be Cognitive About the Customers:-Another important strategic exercise is to take care of the customers always. We as marketers should make an effort to see to it that the minutest of the needs should be met with utmost sincerity. For example, while sending a vacation mail care should be taken to ensure that the mail should not leave the customer in a fix regarding the next course of action. Indeed the marketers should take care of the emotions of the customers. A proper mail mentioning politely the reason for being out of office and who will be taking care in your absence should be informed. Marketers should try to be aware of the customers even locally present to ensure that the offering can be customized.

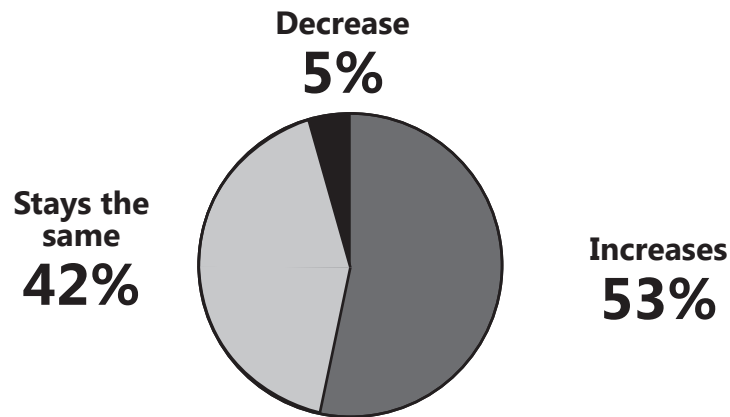
(vii) Creating a Pricing Strategy that Works:-No doubt it is important to focus upon making the desired profits for the business; rather it is equally essential to put your energy into setting price suitable for your business. The mere concern of customers is not just money. Equal focus is laid upon quality, experience and service. These are all factors which are easily achievable. An exceptional service being given to customers is a way to keep them satisfied even with a little higher price. Quality and higher level of satisfaction for customers should be ensured always so that a localized approach can help in generating better revenues. Below mentioned is a diagram to cite the importance of Social Media Marketing.



March 2009 "Social Media Playtime Is Over"

Marketers To Increase Social Media Marketing Spending -Even During A Downturn

"Assuming that the economy is in recession in the next six months, how would you change your investment in social media overall?"



Base: 114 global social media marketers at companies with 250 employees or more who have planned their 2009 budgets

Source: Q4 2008 Global Social Media Planning Online Surey

(viii) Internet Marketing:-Marketing through the use of Internet is another important tool during this era of technologies. This medium has immense power as compared to any other marketing vehicle. Where else will you be able to get all in one, the offering, feedback, test being applied and the change all in one day. This medium not just allows you to modify a campaign but also helps in targeting your customer ultimately.

(ix) Measure Marketing Efforts:-Along without performing the efforts it s also important to see to it that the efforts made for marketing are measured properly. Measuring efforts will enable marketers to know whether the investment done by them is in the right direction or not. Also, if it is not then what remedial measures can be taken to increase the Return on Investment? Talking about Glocalization it becomes all the more important to see to it that the marketing efforts are measured in terms of the local market and not just as a whole. Measuring revenues like this helps in generating the proper strategic move for effective positioning.

(x) Branding is very important on the part of the Marketers:- People before showing interest in your product or offering, are also interested in the way one has branded itself in the market. Even while offering products for the global or local customers care should be taken to ensure that the branding is done on a much localized ground so that greater connectivity is shown.

Customer Elements within Glocalization

Presently creating a competitive environment beneficial to the customers is of paramount importance for long run competitive advantage or even survival. Marketers should try to create that distinct competitive advantage in their products to stand out amongst the entire clan. The customer elements which should be taken care of in businesses nowadays is to position in the mind of the customer in the long run effectively. Care should be taken to ensure that the customers are offered distinct competitive advantages required to sustain in the long run.

Focus Upon Core Values

An extra care can be taken to ensure that the marketers lay emphasis on the core values that the organization stands for. Core values anyways always provide an insight into what the organization stands for in the long run. It is very important to understand this from the point of view of the customers who are the ultimate users. This should be ensured that the core values upon which the organization is based should be highlighted in the marketing strategy used by the company. The reason behind this is the ever increasing stress upon the marketing of inferior and adulterated products which increases all the more during the times of a downturn.

Recent Reversal in Trends

There has been a reversal in the previous behavior of marketers. Anyhow, marketers no longer feel that there is no point spending money on marketing activities during recession. Traditionally, marketers reduced budgets during times of crisis. According to a recent survey, around 53% of the marketers focus upon increasing the social media budget during recession, whereas about 42% keep it same. A feather in the cap is a new concept of "social media marketing". The reasons were being the inexpensive nature and use of word-of-mouth publicity both being easy in nature. Recently emphasis has also been laid on investing in soft costs like strategy, roles, education and process.

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