

3. PRODUCT EXPANSION - POSITIONING AND LOCALIZATION

3.1 Introduction to the issue

3.2 Positioning

3.3 Lokalization

3.1 INTRODUCTION TO THE ISSUE

- **Basic question:**
 - Is it necessary to adapt global products to local conditions (national custom practice)?

Yes - Such adaptation is called localization.

But sometimes is this adaptation invisible for the customer.

3.2 POSITIONING

- There are two basic strategies for product expansion:
 - the same positioning as in the domestic market (Starbucks) – invisible lokalisation;
 - the different local positioning (Ford, Peugeot, but also McDonald's) – visible lokalisation.

3.2 POSITIONING

- **Different local positioning:**
 - advertising focuses on local requirements;
 - it is not just a matter of determining whether there is a "market hole" in the territory;
 - all areas of local consumer preference need to be analyzed;
 - here the above mentioned **visible localization** is required.

3.3 LOKALIZATION

- **The examples of question during the lokalization:**
 - what demands our company satisfies (sewing machines in rich and poor countries);
 - what is the purchasing power of consumers (real disposable (relative) income, credit opportunities, propensity to save);
 - consumer value system (attitude to the country of origin, purchasing decisions, product correspondence with societal values);
 - legal regulation (comparative advertising, promotion of addictive substances, state consent (retailing authorization), prescription remedies, marihuana etc...);

3.3 LOKALIZATION

- **The examples of question during the lokalization:**
 - **suitability of packaging (picture of a child on snack);**
 - **ethical context (the foreign state puts more pressure on us than on domestic companies - environment, social benefits of the product - prioritization of domestic companies);**
 - **all technical parameters related to the product (right-hand drive; mixer (agitator) boom);**

3.3 LOKALIZATION

- **The examples of question during the lokalization:**
 - **appropriate product naming policy (different local names for the same product, overall global renaming (change of ownership structure, English pronunciation), same local name for different products (Ford) - avoidance of unpleasant linguistic connotations);**
 - **phase of the product life cycle in relation to the country.**

3.3 LOKALIZATION

- **In general:**
 - **greater localization is required for products that have:**
 - relatively high added value;
 - consumer character;
 - **lower localization is appropriate for products that have:**
 - relatively low added value;
 - industrial character.

3.3 LOKALIZATION

- **Localization trends:**
 - **maximization:**
 - effort to make oneself visible;
 - buildings, transport infrastructure (tallest building, deepest mine, densest subway network, etc.);
 - strategy of states;
 - **minimization:**
 - efforts to satisfy consumers;
 - IT technical products and communication technology (the most foldable notebook, the flattest TV, the lightest mobile phone, the smallest chip, etc.);
 - strategy of IT and electronics companies.

3.3 LOKALIZATION

- **Localization trends:**
 - **tradition:**
 - exploiting the sense of nostalgia and popularity of traditional manufacturing processes;
 - frequently forgotten products;
 - manual crafts, obsolete dishes, etc;
 - **present:**
 - emphasis on super hyper modern trends and technologies;
 - demonstration of progress;
 - IT technology, art, fashion, etc.

3.3 LOKALIZATION

- **Advantages of the localization trends:**
 - specialization;
 - gain attention.
- **Disadvantages of localization trends:**
 - limited use at excessive levels.

THANK YOU FOR YOUR ATTENTION

The image features a solid blue background. In the center, the text "THANK YOU FOR YOUR ATTENTION" is written in a white, uppercase, sans-serif font. On the right side of the image, there are several white, diagonal lines of varying lengths and thicknesses, creating a dynamic, abstract graphic element.