

# Product adaptation and standardization

## Basis of Difference

1) Application in Marketing Means

2) Reason for Application

3) Product Offered

4) Characteristics

5) Approach

6) Economics of Scale

7) Need

8) End Result

## Adaptation

It is supported by strong market variety especially by market individualism and market uniqueness.

Almost every international company takes into account (in higher or lower level), regional or local conditions which are typical to the differentiation

Altering relevant feature of the product in significant ways for each and every individual geographical market in the product is sold.

A product is differential from competitor's product and further the products produced by particular company.

Adaptation is an approach of detailing the differentiation that exists between products and services.

Unique aspects in product result in different in quality thus increasing cost of production and lower economies of scale.

Satisfy a particular need of buyer.

Show sense of value to the buyer but they have to pay more for such product.

## Standardization

Companies should apply the four basic marketing instruments (4P<sub>s</sub>) in the same way world wide and ignore national specialties in individuals markets.

MNC should think globally and apply integration access world wide.

Complete standardization would involve designing a product that is identical in every relevant way for geographical market in which the product will be sold.

A standard product does not need to have all the characteristics of the other products buyer requires.

Standardization of product is the approach for increasing commonality of product in the supply chain management.

Commonality in products results in higher productivity due to higher demand, having an impact on economies of scales which lowers the total cost.

Satisfy the heterogeneous needs of the buyer.

Benefits buyer by lowering price.

External factors	Expected result on:	
	Adaptation	Standardization
Market similarities	Different	Similar
Product nature (industrial product)	Consumer product	Industrial product
Product nature (durable product)	Non-durable	Durable
Product life-cycle	Different	Homogenous
Intensity of industry competition	Low	Intensive
Economic development	Different level	Same stage
Political and legal restrictions	Specific local requirement	x
Cultural convergence	Specific local tastes, preferences	x
Competition	Local competition / strong	Global competition/ weak
Market size	Larger markets	Smaller markets

**Table 3.** External factors and impacts on adaptation vs. standardization

Advantages of standardization and adaptation

Standardization

Production/economies of scale

Markets in R & D

Stock Management and cost reduction

Consumer mobility

Worldwide uniformity/image consistency

Improved planning and control

Synergetic effect

Adaptation

Gain loyalty of customer, satisfying better their needs and meet differences in countries concerning:

- Stage of development
- Consumer tastes and needs
- Socio-cultural differences
- Physical environment
- Technology

Meet Legal standard required