

Essay 2

Briefly describe localization strategy.

Localization strategy is one of the global strategies that a business pursues. They customize the products according to the country they are selling ~~to~~ to. Localization strategy is implemented in pursuit of pressure of local responsiveness.

Here, the products are customized according to the different needs of the consumers.

Customization of products raises the value of the product locally.

Most suitable when -

- * consumers have different taste and preferences.
- * Pressures for cost reductions are not intense.

However, producing in large quantities, gaining economies of scale resulting in cost reduction is not possible.

An example of a company using localization strategy could be McDonalds. They are famous for their Big Mac, however in India beef consumption is against their religion, hence in response to local demand conditions, they offer products such as Mc Aloo Tikki - which is a chicken alternative