

INSTITUTE OF LAW, JIWAJI UNIVERSITY, GWALIOR
COURSE - B.COM LL.B FIVE YEAR
SEMESTER – VI
SUBJECT - INTERNATIONAL MARKETING

**UNIT-2 -TOPIC- FACTORS INFLUENCING PRODUCT ADAPTATION
IN INTERNATIONAL MARKETS AND TRADE-OFF STRATEGY**

BY AJAY JAIN

Factors influencing Product Adaptation in International Markets

Product adaptation is an essential business process in which a company alters or “adapts” an existing product. Product adaptation may be a way to stay competitive in an evolving domestic marketplace, or a way to sell products abroad that might not be appealing to foreign consumers without small, or large, changes.

Standard of Living: Foreign markets are likely to feature a different standard of living than that found in the region where a product was first sold. This may mean a need to lower the price, or an opportunity to raise it. Adapting a product to use different materials and meet different standards of quality is one way that product adaptation addresses the needs of new markets.

Regulations: Selling products abroad may be an essential factor in product adaptation when government or industry regulations require products to meet certain standards. This is the case with many foreign automobiles, which must undergo a major product adaptation to meet strict American safety and emissions standards before being sold in the United States. Manufacturers also need to adapt electronic equipment to meet the voltage requirements of new markets.

Usage Conditions: Product usage conditions can affect product adaptation in a number of ways. The climate, altitude and distance of a new market may require manufacturers to develop new solutions that allow a product to function as intended or new packaging that will allow the product to reach its destination in good condition.

Cultural Condition and Style: Sometimes a product needs only superficial adaptation in order to fit into a new market. Different cultures assign meaning to colours, words and numbers very differently, for example. This may mean that a manufacturer will have more success changing the name or colour of a product while leaving its functional components unchanged. Manufacturers may also need to change the name of a product to avoid confusion in the translation into a new language or to avoid using a name already copyrighted or associated with a different product in the new market.

Trade-off Strategy

“A trade-off means that more of one thing necessitates less of another”. Trade-offs occur when activities are incompatible and arise for three reasons:

1. A company known for delivering one kind of value may lack credibility and confuse customers or undermine its own reputation by delivering another kind of value or attempting to deliver two inconsistent things at the same time.

2. Trade-offs arises from activities themselves. Different positions require different product configurations, different equipment, different employee behaviour, different skills, and different management systems. In general, value is destroyed if an activity is over designed or under designed.

3. Trade-offs arises from limits on internal coordination and control. By choosing to compete in one way and not the other, management is making its organizational priorities clear. In contrast, companies that tries to be all things to all customers, often risk confusion amongst its employees, who then attempt to make day-to-day operating decisions without a clear framework.

Moreover, trade-offs create the need for choice and protect against repositions and straddles. Thus, strategy can also be defined as making trade-offs in competing. The essence of strategy is choosing what not the do.

THANK YOU!!