

## 9.1: Global Products Summary

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### Summary

The product is the most important element of a company's marketing program. Global marketers face the challenge of formulating coherent product and brand strategies on a worldwide basis. A product can be viewed as a collection of tangible and intangible attributes that collectively provide benefits to a buyer or user. A brand is a complex bundle of images and experiences in the mind of the customer. In most countries, local brands compete with international brands and global brands. A local product is available in a single country; a global product meets the wants and needs of a global market.

Product and communications strategies can be viewed within a framework that allows for combinations of three strategies: extension strategy, adaptation strategy, and creation strategy. Five strategic alternatives are open to companies pursuing geographic expansion: product-communication extension; product extension-communication adaptation; product adaptation-communication extension; product-communication adaptation; and product invention (innovation). The strategic alternative(s) that a particular company chooses will depend on the product and the need it serves, customer preferences and purchasing power, and the costs of adaptation versus standardization. Product transformation occurs when a product that has been introduced into new country markets serves a different function or is used differently than originally intended. When choosing a strategy, management should consciously strive to avoid the "not invented here" syndrome.

Global competition has put pressure on companies to excel at developing standardized product platforms that can serve as a foundation for cost-efficient adaptation. New products can be classified as discontinuous, dynamically continuous, or continuous innovations. A successful product launch requires an understanding of how markets develop: sequentially over time or simultaneously. Today, many new products are launched in multiple national markets as product development cycles shorten and product development costs soar.

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