

8.2: Strategic Marketing- Standardization versus Adaptation

Learning Objectives

By the end of this section, you will be able to

- Define marketing standardization.
- Define marketing adaptation.
- Explain when to use diversity marketing as an adaptation strategy.

Standardization Strategy Defined

To meet the marketplace's demands, companies must carefully formulate competitive strategies based on internal and external conditions. These strategies must balance the capabilities of the organization's business activities, such as marketing, sales, operations, customer service, finance, and human resources management, with multiple environmental factors in the market. Among these are competition, globalization, technology, culture, and changes in consumer demographics and behavior. Companies can choose between two types of strategic approaches, standardization or adaptation, depending on these internal and external variables.

Standardization is the process of purposefully applying identical or consistent guidelines to achieve uniformity. It is not limited to goods and services. Ideas, experiences, data, manufacturing processes, metrics, and operating practices within a business can also be standardized.

A standardized strategy is expressed through the sameness of an offering's features, packaging, pricing, messaging, or advertising to consumers in the marketplace. Companies adopt this strategy for several reasons. These include increasing sales, reducing costs, maximizing efficiencies, improving competitiveness, and gaining a larger customer base.

Think about Apple products. The company standardizes its iPhone, iPad, and Mac computers worldwide. Anywhere you go, Apple devices look and work the same. Only the devices' power source is changed, reflecting power voltage differences in different parts of the world. Standardization allows Apple to streamline production, speed up market launches, and increase device recognition around the globe.

Adaptation Strategy Defined

Adaptation is the process of adjusting a company's work efforts, goods, or services in response to specific needs, tastes, or expectations from different groups of consumers. An adaptation strategy typically involves two steps. The first is identifying the modifications required to increase an offering's appeal among a targeted audience. The second is implementing the changes based on the organization's abilities and resources. Both of these tasks are crucial to determine the strategy's viability.

Why do companies consider modifying products when doing so generally entails additional costs? The reason is that adaptations are useful to create unique market offerings, generate interest, or provide a competitive differentiation. In other words, this strategy is advisable when the outcome of the change results in reduced risks to the business. Companies can also adapt an existing product, instead of creating a new one, to reduce costs associated with producing new goods. For example, Ford Motor Company adapts the D4 automobile platform for chassis design and engine configuration to its Ford and Lincoln models to save money and offer cars at competitive price points.

Sometimes businesses need adaptation strategies because of market disruptions caused by socioeconomic issues, natural disasters, or health concerns such as the COVID-19 pandemic. Zoom, the video conferencing company, was forced to adjust its practices at lightning speed to meet the unexpected demand uptick caused by the pandemic. In only five months (December 2019 to April 2020), Zoom's customer base grew from 10 million to 300 million users (Nazar, 2021). Zoom's adaptation strategy included new data centers, extended partnerships, price and service changes, and platform updates to serve all types of customers.

Diversity Marketing as an Adaptation Strategy

In marketing, an adaptation strategy translates into tailoring the marketing mix—product, price, place, and promotion—to suit the preferences of targeted populations. Adaptation strategies are often associated with entering a foreign country.

McDonald's is a good example of a company that adapts its marketing mix to be locally relevant to diverse global consumers. McDonald's introduced the McVeggie and the McAlloo in India (see Figure 8.2), the Bai Shrimp Filet-O and the Bai Teriyaki

Chicken Filet-O in Japan, poutine fries in Canada, the Picanha ClubHouse Burger in Brazil, and the Bubblegum Squash McFlurry in New Zealand. Besides adjusting the menu (product), McDonald's also aligns advertisements (promotion) and services with local expectations (price and place) while delivering a consistent customer experience from one country to another.



Figure 8.2 McDonald's McAlloo Tiki Burger in India is an example of how one company adjusted its marketing mix to meet local preferences. (credit: "McAlloo Tiki" by igb, CC BY 2.0)

This strategy is not limited to marketing in different parts of the globe. Companies can adjust any element of the marketing mix when expanding their market share within a region or a single country. This decision, however, should not be taken lightly. Adapting marketing efforts can be costly, time-consuming, and disruptive to the business. Plus, unexpected changes in a product's message can confuse existing customers.

Marketing adaptation is clearly an option to grow the marketplace. When this strategy is based on a population's cultural or demographic differences, it is diversity marketing. Here is a good example from Nike. The "Nike by You" (see Figure 8.3) shoe-designing service enables the company to expand its appeal to different population segments. By allowing consumers to change the footwear's colors and materials, Nike delivers products adapted to audiences' ethnic and social preferences (Kotabe & Helsen, 2020).



Figure 8.3 The Nike by You shoe campaign is a shoe-customization product that lets consumers design their shoes to meet their individual preferences. (credit: "SSL10007" by cagbay/flickr, CC BY 2.0)

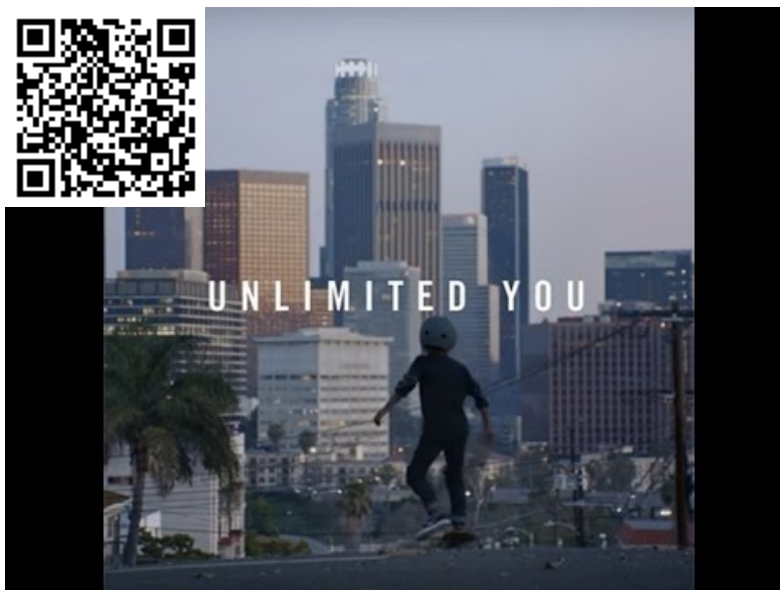
Link to Learning: Nike and Diversity

To prepare for a marketing career, learning from companies known for their diversity campaigns will help you with your future campaigns. According to [eMarketer data](#), Nike has one of the highest levels of diversity in its advertising. Here are a few examples of supporting information about Nike's diversity and inclusion campaigns.

- Emmy-winning You Can't Stop Us:



- [You Can't Be Stopped campaign](#)
- Nike Unlimited You commercial:



- [Nike By You](#)
- Nike [Diversity, Equity, and Inclusion strategy](#)

Other companies are also known for their diversity and inclusion strategies. Read about some of them in this [HubSpot article](#).

Diversity marketing is an effective response to consumers' cultural or demographic diversity in a market. Why is it an adaptation strategy? Because diversity marketing involves changing a product or service to match the needs, wants, and demands of a population's subgroup of consumers.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

Choosing between standardization and adaption strategies includes _____.

- balancing internal capabilities, such as operations, with external forces, such as competition

- b. assessing only external forces, such as technology, and consumer demographic changes
- c. adjusting only a company's resources, assets, and conditions to the market
- d. assessing and reducing the company's consumer base to be more effective

2.

Which of the following is NOT a reason to implement a standardized marketing strategy?

- a. To increase sales and reduce costs
- b. To maximize a company's manufacturing or production efficiencies
- c. To improve competitiveness and increase customer base
- d. To increase flexibility with constrained standards

3.

A marketing adaptation strategy involves _____.

- a. adjusting a company's efforts and the marketing mix to increase appeal
- b. responding to targeted consumers' specific needs, tastes, or expectations
- c. implementing company changes based on organizational abilities and resources
- d. All of these statements are correct.

4.

Adaptations are useful for all the following EXCEPT _____.

- a. creating a unique market product
- b. generating interest in a service
- c. reducing production costs
- d. providing a competitive differentiation

5.

An adaptation strategy to expand into culturally or demographically diverse markets can benefit a company by _____.

- a. reducing business disruptions
- b. increasing the customer base
- c. speeding up the execution time
- d. shifting the marketing focus solely to the company

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