



# The global-local dilemma

The global-local dilemma questions the extent to which products and services may be **standardized** across national boundaries or need to be **adapted** to meet the requirements of specific national markets.

Four international strategies can be derived from the answer to this dilemma: the simple **export** strategy, the **multi-domestic** strategy, the **global** strategy and the **transnational** strategy.





# The global-local dilemma: standardization vs. adaptation



The global-local dilemma questions the extent to which products and services may be standardized across national boundaries or need to be adapted to meet the requirements of specific national markets.

To solve this dilemma, organizations need to assess to what degree there are potential advantages of cost and quality of global integration and balance those pressures against the need to adapt products / services to local conditions. Four international strategies can be derived from this dilemma:

- **Simple export:** This strategy leverages home country capabilities, innovations and products in different foreign countries. It is advantageous when both pressures for global integration and local responsiveness are low.
- **Multi-domestic:** This is a strategy that maximizes local responsiveness. It is based on different product or service offerings and operations in each country depending on local market conditions and customer preferences. Each country is treated differently with a considerable autonomy for each country manager to best meet the needs of the local markets and customers in that particular country.
- **Global strategy:** This is a strategy that maximizes global integration. In this strategy the world is seen as one marketplace with standardized products and services that fully exploits integration and efficiency in operations.



Source: Exploring Strategy, Text and cases, 10<sup>th</sup> Edition. Pearson

- **Transnational strategy:** Also called the “glocal strategy”, this is the most complex strategy that tries to maximize both responsiveness and integration. Its aim is to combine centralized capabilities with local responsiveness. 2



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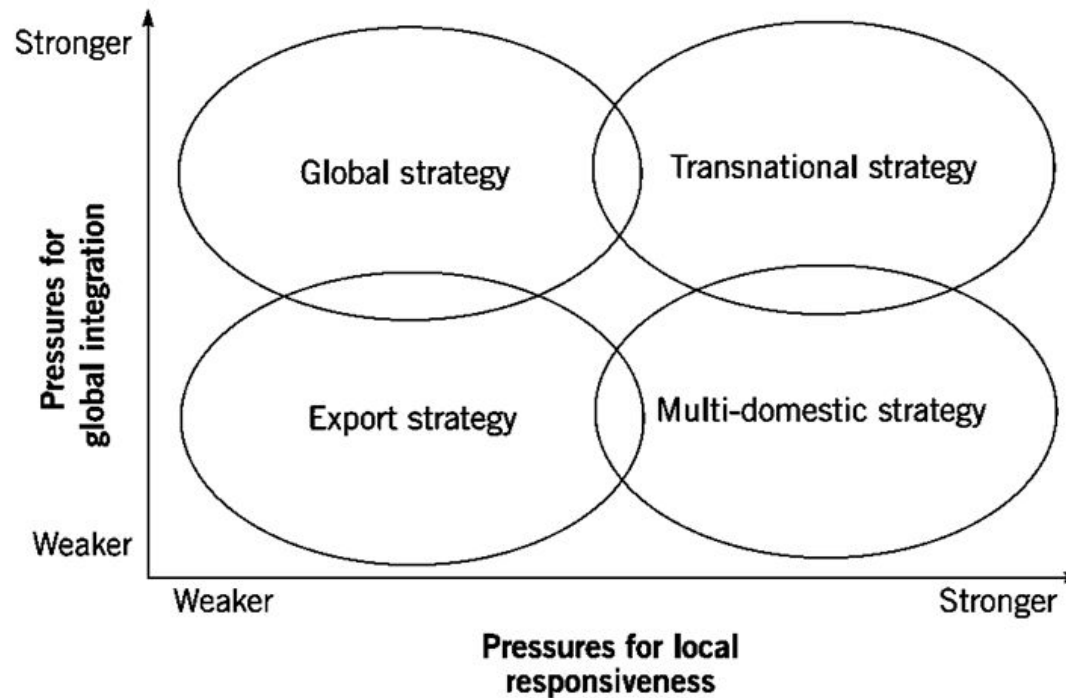


Examples of the four international strategies according to the global-local dilemma. This illustrates how organizations assess to what degree there are potential advantages of cost and quality of global integration versus pressures against the need to adapt products and/or services to local conditions.

Apple's standardized products globally



French wine exported worldwide from a concentrated value-chain in France



L'Oréal's offerings adapted to each country leveraging central integration

L'ORÉAL  
PARIS



McDonald's adapted menus to each country



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