

A STUDY ON INVOLVEMENT OF MARKETING TEAM IN PRODUCT ADAPTION AND ITS IMPACT ON EASE OF QUALITY CONTROL IN TIER 2 AUTO ANCILLARIES

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ABSTRACT

Companies marketing their products and/or services overseas are faced with the decision of whether to standardize or adapt their product offerings. This choice concerns firms starting to market their products in foreign countries just as those all around working internationally and are thinking about venturing into newer markets. The standardization of products across cultures is progressively turning into an important issue that the managers of global firms are today confronting. Through a solitary case study of a multinational fast food retailer McDonalds Company, a research plan was set on researching the degree of adapting or standardizing of products by Multinational Corporations (MNCs). In light of the outlines and discoveries of the exploration, it was reasoned that the decision of either complete standardization or transformation is definitely not an all-or nothing proposition, however a matter of degree. Subsequently MNCs ought to endeavor to incorporate ingredients of the two methodologies dependent on a clear understanding of the dynamics of the served markets separately.

Keywords: Auto Ancillaries, Product Adaption, Ancillary, Ease of Quality

1. Conceptual Background

International marketing is becoming a major trend in modern business. With this impact, various examinations concerning the consumer demand and purchase behavior for various products across national boundaries have been and are as yet being embraced. According to Doole and Lowe (2008) international marketing is characterized as the interaction of management responsibility in identifying, anticipating and satisfying customer prerequisites across international boundaries. They go on by referencing that inside international marketing, organizations are engaged with settling on global decisions in one or more variables of the marketing mix. Therefore, organizations wishing to enter international markets are confronted with the challenge of thinking about the alternatives of whether to standardize or adjust the components of their marketing mix, that is, four "Ps" (product, price, place and promotion). Strangely, the ideas of product standardization and adaptation are not new ones as to global marketing techniques. Product standardization and adaptation empirical investigation were performed since the 1970s (Leonidou, 1996). Where, according to Doole and Lowe (2008), product standardization strategy alludes to a uniform

representation of all parts of the product, for example, the quality, the materials been utilized, product name, and packaging for all markets, paying little mind to location all throughout the world. On the differentiation, product adaptation is when changes and unique alterations are made to conform to each market being referred to. Somewhat recently, business overall has expanded and most organizations have broadened their product offerings across national boundaries and cultures individually. The specialists have likewise observed that in the mission to keep a market share in the escalating competition in international markets just as to realize profits, multinational corporations (MNCs) are continually confronted with the challenge to remain economically afloat by choosing which product strategy to use as they enter and endeavor to get by in international markets. Also, Czinkota and Ronkainen (2004) have called attention to that note that organizations have four essential choices when choosing to internationalize their products: I. selling the same product all over; ii. Make changes and adjustments on previously existing products for various markets; iii. Making of new products for foreign markets; iv. Consolidating all distinctions from the markets into one product where this will be presented as a global

product. Moreover, regardless of the different interpretations of the inspirations driving the decision of product strategy, one normal topic is the challenge looked by multinationals to both national and cultural identity, a point that has gotten famous in the field of international business and/or marketing. Therefore, as the product being important for the marketing mix it is urgent for the strategy to be examined with caution and finally conducted suitably across cultures.

The attention given to this particular field of study has been of great interest to the researchers and having taken into consideration the problem discussion, the research questions are thus: 1. How much do Multinational Corporations (MNCs) in the fast food adjust or standardize their products internationally? 2. Are there any contrasts between various markets comparable to their product offering?

2. Review of Literature

Cultural dimensions are fundamental ideas that assist us with understanding how two or more cultures may be unique or comparative along each measurement. Cultural contrasts result from the variation given to various values. Conflicts and misunderstandings happen when individuals from a gathering take the view that their values are correct and best (Phatak et al., 2009). Since the purchase of food items is emphatically determined by cultural factors, consumer tastes, habits, and incomes, the interest of this examination is exclusively in the product component of the marketing mix. The marketing mix according to Doole and Lowe (2008) comprises of the 4 Ps; Product, Price, Place and Promotion as marketing systems. McCarthy has formulated the idea of the 4p's-product, price, promotion and place marketing mix. For some years these have been the principal establishments on which a marketing plan is based. Further, "the elements that are more affected by adaptation in foreign markets are the quality, the features, and the namely design" (Baalbaki and Malhotra, 1993). "Product" alludes to the goods and services that are offered to an organization's customers. Far off from the physical product itself, other elements related with a product include what the customers might be attracted to, for example, the manner in which it is packaged or

for the situation of food how it tastes. Other product features include quality; options; physical features; supporting services; brand name and warranties offered. In this way, these product elements are further represented as a component of the 4Ps marketing mix. According to Kotler et al. (1996), a product's appearance, function, and support make up what the customer will actually purchase. Therefore, making it fundamental for managers to give close consideration to the inclinations and tastes of their product packages in addressing their customers, both existing and potential. Further, in managing product parts, product planning and advancement involves cautious planning in light of the customer. Along these lines suggesting that, the decisions are needed to be taken regarding product range, packaging, branding, quality, labeling and other features of the product. In the inquiry with regards to whether to standardize or adjust, a product made for market ought to be according to the necessities and assumptions for consumers. By suggesting that the product is the core of entire marketing mix, Doole and Lowe (2008) point out that the product perhaps the most influential competing component of the marketing mix in the hands of the marketing managers. In this manner in the event that the product isn't alluring and/or appealing to the customers, no measure of sales promotion, appropriate channel of distribution or reduction in price will assist with achieving the marketing objective. Consequently, physical design, brand name, quality, packaging, durability, taste and services connected to the product are vital according to the marketing point of view. Having said that, it is from these 4Ps that the product elements of the marketing mix that will be looked into in this thesis writing. More specifically this exploration will just investigate the following elements of product: the quality, brand name, the packaging, product name and design (physical appearance).

In another investigation looking at product adaptation in processes of internationalization, Horska et al. (2007) find that products should vary more from the original, in a few distinctive ways, as the culture contrasts more. In their examination, by suggesting that adaptation of product arrangement to national

legislation and taste is additionally important in all markets, they recommend that the relative importance of adaptation would appear to diminish with the cultural distance. Further, if the limit for adapting the products for exporting to foreign countries grows too big, it can in any case be that there are choices for internalization that are nearer in cultures and customs and subsequently require less adaptation. As opposed to the intentions behind the product adaptation strategy, those firms following a standardization strategy enter foreign markets using the same advertisements, packages and introductions that were utilized in the homegrown market. Since making new advertisements, packages and product lines is expensive, standardization requires less investment than adaptation.

3. Methodology

Using purposive sampling, data was collected from 266 managerial level employees of ancillary plants pan India using structured questionnaire.

4. Analysis and Findings

1. Ha1= Ease of quality control is significantly dependent on the importance given to marketing department in tier 2 Auto Ancillaries.

H01= Ease of quality control is not significantly dependent on the importance given to marketing department in tier 2 Auto Ancillaries.

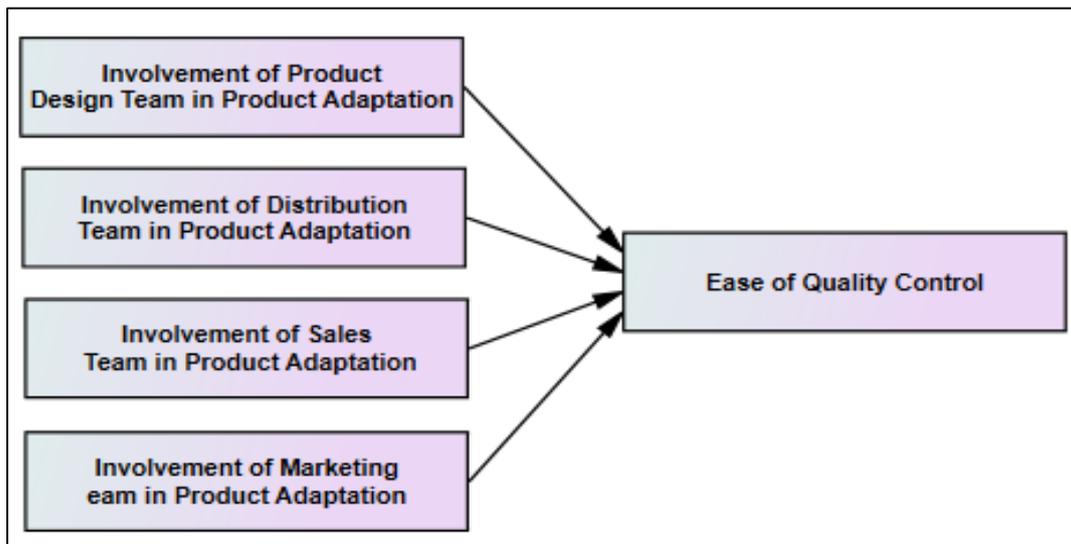


Figure 1: Regression model

Test of regression analysis was used to find out the dependency of one dependent that is ease of quality control is significantly dependent on

the importance given to marketing department in tier 2 Auto Ancillaries.

Table 1: Variable Summary

Variables Entered/Removed ^b			
Model	Variables Entered	Variables Removed	Method
1	Predictors: Involvement of Product Design Team in Product Adaptation, Involvement of Distribution Team in Product Adaptation, Involvement of Sales Team in Product Adaptation, Involvement of Marketing Team in Product Adaptation ^a Dependent: Ease of Quality Control	.	Enter

Table 2: Model Summary

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.829 ^a	0.48	0.629	0.975	0.58	25.357	4	261	0.000	1.702

a. Predictors: (Constant), Involvement of Product Design Team in Product Adaptation, Involvement of Distribution Team in Product Adaptation, Involvement of Sales Team in Product Adaptation, Involvement of Marketing Team in Product Adaptation

b. Dependent Variable: Ease of Quality Control

Observation

Genset Branding is 52.9% dependent on the importance given to Marketing department in Genset product adaptation process as per the

regression value R in model summary table. Significant f-distribution of data with $p < 0.05$ indicates that the results available in sample are applicable to the population of research.

Table 3: ANOVA Table

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.506	4	24.127	25.357	.000 ^a
	Residual	248.336	261	.951		
	Total	344.842	265			

a. Predictors: (Constant), Involvement of Product Design Team in Product Adaptation, Involvement of Distribution Team in Product Adaptation, Involvement of Sales Team in Product Adaptation, Involvement of Marketing Team in Product Adaptation

b. Ease of Quality Control

Table 0: Regression Coefficients

Coefficients ^a					
Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.131	0.504		8.203	0.000
Involvement of Sales Team in Product Adaptation	0.155	0.057	0.161	2.725	0.007
Involvement of Marketing Team in Product Adaptation	-0.242	0.089	-0.161	-2.727	0.007
Involvement of Distribution Team in Product Adaptation	0.614	0.096	0.375	6.42	0.000
Involvement of Product Design Team in Product Adaptation	-0.653	0.07	-0.617	-9.319	0.000

a. Dependent Variable: Ease of Genset Branding

Observation

Beta vale (B) in the coefficient table indicates that the one unit change in the value of particular independent variable results in to the change in the value of dependent variable. Ex.

One unit change in the value of Involvement of Sales Team in Product Adaptation results 0.155 unit that is 15.5% change in the ease of Genset branding.

Table 5: Residual Statistics

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.52	5.04	3.42	.603	266
Residual	-1.628	1.628	.000	.968	266
Std. Predicted Value	-1.501	2.677	.000	1.000	266
Std. Residual	-1.669	1.669	.000	.992	266

a. Dependent Variable: Ease of Genset Branding

Graph 1 Histogram

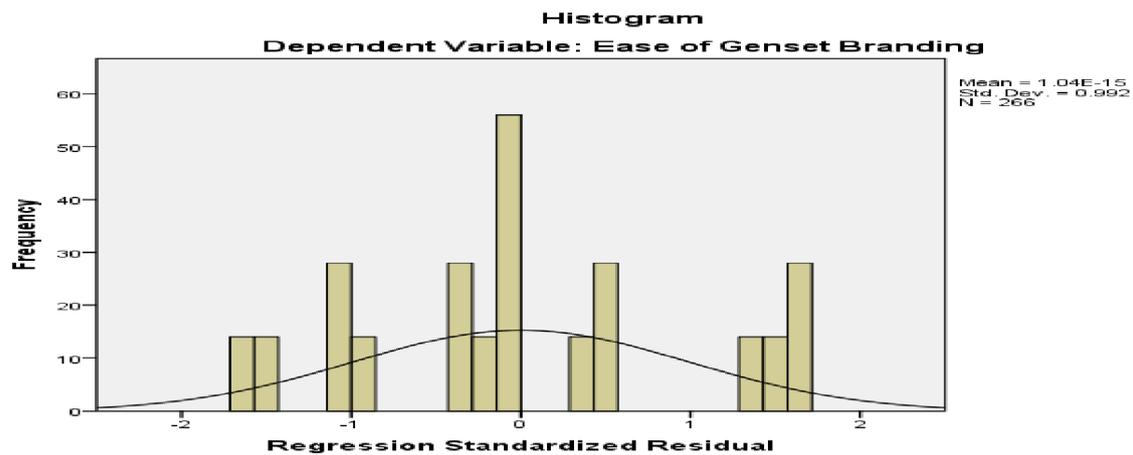


Figure 2: Dependent Variable: Ease of Genset Branding

Graph 2 Probability Plot

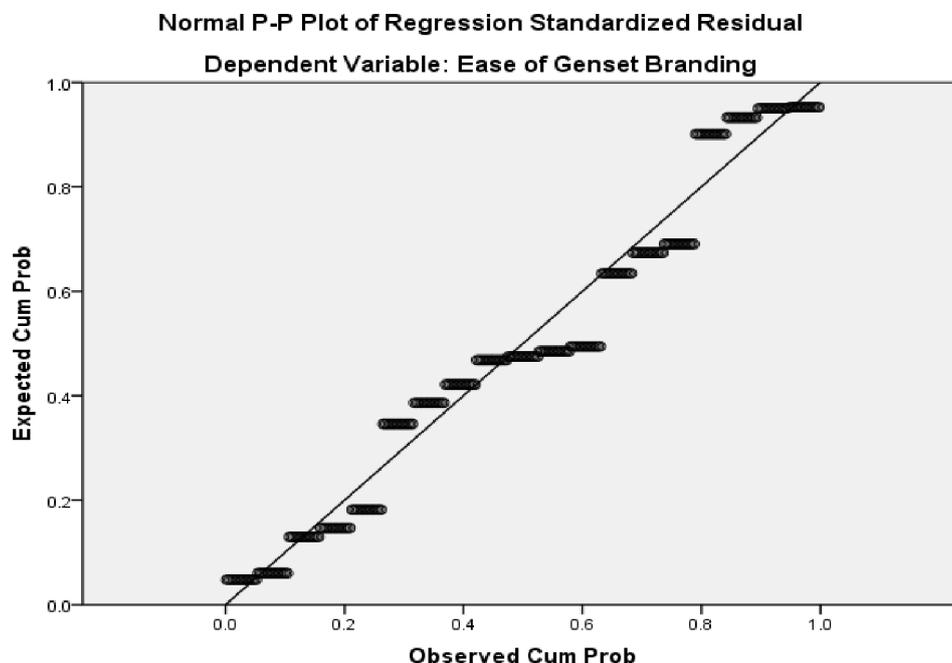


Figure 3: Dependent Variable: Ease of Genset Branding

Observation

Histogram and probability of normality plot for regression indicates normal distribution of data used in regression test which indicates significance of the rejection of null hypothesis.

5. Conclusion

The optimum performance of critical ancillary equipment lead to desired operation and production at ancillary plants. It would help manufacturers to meet their supply demands. For suppliers of equipment, it would help build

credibility and image of company by achieving full customer satisfaction. It is also in the interest of nation to have higher production and earn more revenues through state excise. As per the data analysis and discussion Genset Branding is 52.9% dependent on the importance given to Marketing department in Genset product adaptation process. Whereas, Beta vale (B) in the coefficient table indicates that the one unit change in the value of particular independent variable results in to the change in the value of dependent variable.

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