



GLOCALIZATION

**Prof. Neha Malviya,
Ms. Priyanka Kaskar**

Introduction

The technological development that characterizes the past two decades has triggered a communications enhancement around the globe. Interconnectedness between people is greater everyday; goods, services, money, and information are exchanged between the furthestmost parts of the world. International travel and communication now represent ordinary aspects of life. This phenomenon is called globalization.

Globalization means increasing the interdependence, connectivity and integration on a global level with respect to the social, cultural, political, technological, economic and ecological levels.

Globalization has several advantages on the economic, cultural, technological, social and some other fronts. Any myths, existing in the mind, regarding these must be dispelled.

Advantages of Globalization

- Goods and people are transported with more easiness and speed
- The possibility of war between the developed countries decreases
- Free trade between countries increases
- Global mass media connects all the people in the world
- As the cultural barriers reduce, the global village dream becomes more realistic
- There is a propagation of democratic ideals
- The interdependence of the nation-states increases
- As the liquidity of capital increases, developed countries can invest in developing ones
- The flexibility of corporations to operate across borders increases
- The communication between the individuals and corporations in the world increases

Globalization has brought the world together as one big nation. There is border-to-border communication and trade. Economically speaking, globalization has opened doors for trades. It has embraced trading of various products from country to country hence boosting the world's economy. A product of a certain country can be known and exposed throughout the world. Not only the manufacturers and retailers take advantage of it but also consumers are benefited through globalization. It gives them variety of good quality products for competitive prices

Effects of globalization

- enhancement in the information flow between geographically remote locations
- the global common market has a freedom of exchange of goods and capital
- there is a broad access to a range of goods for consumers and companies
- worldwide production markets emerge
- free circulation of people of different nations leads to social benefits
- global environmental problems like cross-boundary pollution, over fishing on oceans, climate changes are solved by discussions
- More transborder data flow using communication satellites, the Internet, wireless telephones etc.
- international criminal courts and international justice movements are launched
- the standards applied globally like patents, copyright laws and world trade agreements increase
- corporate, national and sub national borrowers have a better access to external finance
- worldwide financial markets emerge
- Multiculturalism spreads as there is individual access to cultural diversity. This diversity decreases due to hybridization or assimilation
- international travel and tourism increases
- worldwide sporting events like the Olympic Games and the FIFA World Cup are held
- enhancement in worldwide fads and pop culture
- local consumer products are exported to other countries
- immigration between countries increases
- cross-cultural contacts grow and cultural diffusion takes place
- there is an increase in the desire to use foreign ideas and products, adopt new practices and technologies and be a part of world culture
- free trade zones are formed having less or no tariffs
- due to development of containerization for ocean shipping, the transportation costs are reduced
- subsidies for local businesses decrease
- capital controls reduce or vanish
- there is supranational recognition of intellectual property restrictions i.e. patents authorized by one country are recognized in another

Localization is the process of adapting a product or service to a particular language, culture, and desired local "look-and-feel." Ideally, a product or service is developed so that localization is relatively easy to achieve - for example, by creating technical illustrations for manuals in which the text can easily be changed to another language and allowing some expansion room for this purpose. This enabling process

is termed internationalization. An internationalized product or service is therefore easier to localize. The process of first enabling a product to be localized and then localizing it for different national audiences is sometimes known as globalization.

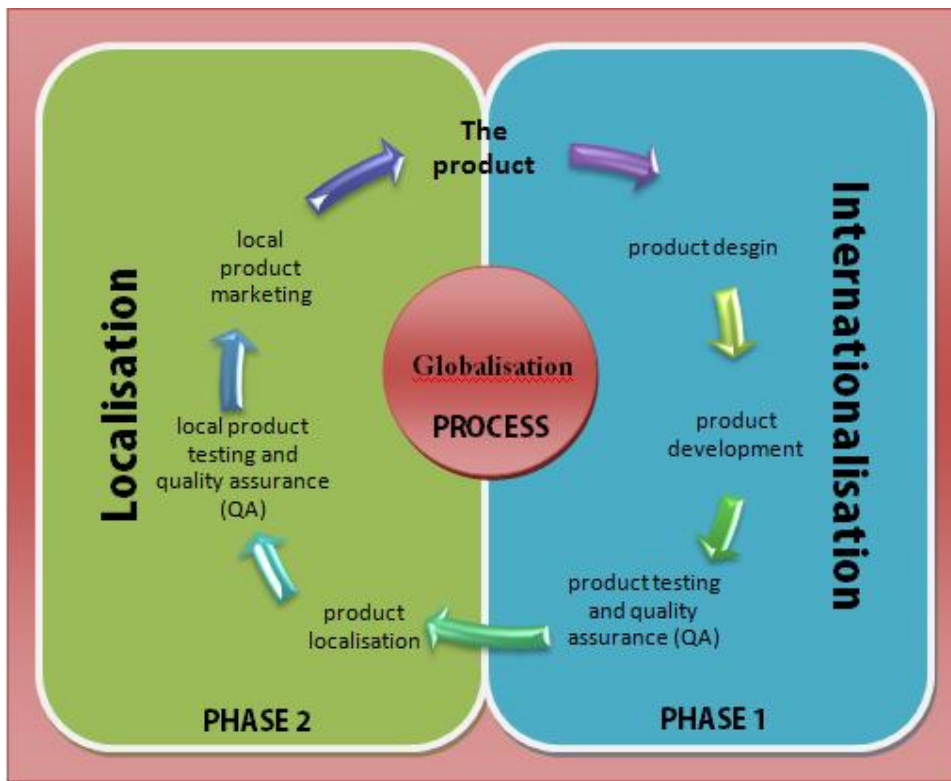
In localizing a product, in addition to idiomatic language translation, such details as time zones, money, national holidays, local color sensitivities, product or service names, gender roles, and geographic examples must all be considered. A successfully localized service or product is one that appears to have been developed within the local culture.

- Language localization, the process of translating a product into different languages or adapting a language for a specific country or region
- Internationalization and localization, the adaptation of computer software for non-native environments, especially other nations and cultures
- Dub localization, the adaptation of a movie or television series for another audience
- **Language localization** can be defined as the second phase of a larger process (Internationalization) of product translation and cultural adaptation (for specific countries, regions, groups) to account for differences in distinct markets. Thus, it is important not to reduce it to a mere translation activity because it involves a comprehensive study of the target culture in order to correctly adapt the product.

The localization process is most generally related to cultural adaptation and translation of software, video games and websites, and less frequently to any written translation (although these also involve cultural adaptation processes). The process of localizing can be done for regions or countries where people speak different languages, or where the same language is spoken. Just recall the language differences in countries where Spanish is natively spoken (for instance in South America), or where English is the official language (e.g. in the United States, the United Kingdom and the Philippines).

The overall process: internationalization, globalization and localization

As the LISA association (Localization Industry Standards Association) explains, globalization "can best be thought of as a cycle rather than a single process". To *globalize* is to plan in advance the way the product or the website should be designed and developed in order to avoid costs from going up and quality problems from emerging, to save time, and eventually to smooth the localizing effort for each region/country. Localization is one phase, but an integral part, of the overall process called **globalization**.



The globalization process:

In this view, there are two primary technical processes that comprise globalization, **internationalization** and **localization**, which make up a double-phase process. See the right-hand diagram inspired in a chart found in the LISA association website.

The first phase, internationalization, «encompasses the planning and preparation stages for a product in which it is built by design to support global markets. This process means that all cultural assumptions are removed and any country or language-specific content is stored externally to the product so that it can be easily adapted». If this is not done during this phase, they must be fixed during localization, though, adding time and expense to the project. It is important to acknowledge that in extreme cases, products that were not internationalized may not even be localizable.

The second phase, localization, «refers to the actual adaptation of the product for a specific market». The localization phase involves, among other things (see below and Internationalization and localization), the four issues LISA association describes as linguistic, physical, business and cultural, and technical issues.

At the end of each phase, a testing and a quality assurance (QA) test are done to ensure that product works properly and to deliver it according to the client's quality expectations.

Globalization & Localization heading towards GLOCALIZATION

Historical background

Break out of World War I can very well be considered to have contributed towards the philosophy of globalization to localization. Mughals and Britishers intended to capture the countries in order to achieve glocalization under one flag and rule the whole world. The disintegration and rising up of various civilizations again got in to the concept of localization. However to sustain individual economy through interdependence, once again the process regenerated from localization to globalization. Hence the world has once again come to one common understanding to achieve “Glocalization” through mutual growth by balancing economies among developed, underdeveloped and developing countries.

Conceptual structure

Towards the end of World War II, forty four countries met in an effort to reestablish international trade. The milestone is referred to as Bretton Woods, named after the new Hampshire country in where the meeting was held results to Bretton Woods including creation of IMF, World bank and subsequently GATT. In 1948, International Trade Organization (ITO) was established as an agency of United Nations with fifty member countries of Havana Charter to facilitate International trade. GATT involved number of different multilateral rounds of trade negotiations to reduce trade barriers and facilitate International trade by addressing issues like tariff, anti dumping measures. The final shape of GATT to WTO in 1995 expresses the conceptual structure of Glocalization.

Rationale

A primary economic rationale for glocalization is reducing barriers to trade for the enrichment of all societies i.e. the endeavor to achieve growth through interdependence. The betterment of societies through free trade for everyone is possible as long as each one has freedom to produce with the comparative advantage of exchanges with others. The economic rationale for global integration depends on supporting factors to facilitate the process. The factors include advances in transportation, communication and technology to provide the necessary conducts for global economic integration. While these factors are necessary, they are not sufficient, collaboration with political through International relations is required to leverage the potential of supporting factors.

Let's see the effects of Glocalization from various aspects along with examples:

Education

Many Indian Universities have opened their institutes in foreign countries. For E.g. Bharti Vidyapeeth, Symbiosis and others. Many Indian students go abroad to pursue education from foreign universities. In the same way, many students from foreign countries come to India to pursue courses under Indian Universities. English medium schools and colleges are gaining popularity as knowledge of English is necessary for the students if they want to expand their horizons globally. As even many foreign multinationals have their subsidiaries in India, staying locally the

knowledge of English can be beneficial. However, we still have regional medium schools and colleges running everywhere and their popularity still exists and even they have started offering English subject in their syllabus.

Marketing of Products

The globalization vs. national responsiveness challenge is even more acute when marketing cosmetics and other products that vary greatly in consumer use. For e.g. marketers sell toothpaste as a cosmetic product in Spain and Greece but as a cavity fighter in the Netherlands and US. Soap manufacturer market their product as a cosmetic item in Spain but as a functional commodity in Germany. Moreover the way in which the marketing message is delivered also is important. For e.g.

Germans want advertising that is factual and rational; they fear being manipulated by the “hidden persuader”. The typical German spot features the standard family of two parents, two children and a grand mother.

The French avoid reasoning or logic. Their advertising is predominantly emotional, dramatic and symbolic.

The British value laughter above all else. The typical broad, self deprecating British commercial amuses by mocking both the advertiser and the consumer.

Advertising Messages

One way that perception can prove to be a problem in international management communication is evident when one person uses words that are misinterpreted by the other. Many firms have found to their dismay that a failure to understand home country perceptions can result in disastrous advertising programs. Here are two examples.

“Ford” introduced a low cost truck, the “Fiera” in to some Spanish speaking countries. Unfortunately, the name meant “ugly old women” in Spanish. Needless to say that this name did not encourage sales. Ford also experienced slow sales when it introduced a top of the line automobile, the “Comet”, in Mexico under the name “Caliente”. The puzzling low sales were finally understood when Ford discovered that “caliente” is slang for a street walker.

One laundry detergent company certainly wishes now that it had contacted a few locals before it initiated its promotional campaign in the Middle East. All of the company’s advertisements pictured soiled clothes on the left, its box of soap in the middle, and clean clothes on the right. But because in that area of the world people tend to read from right to left, many potential customers interpreted the message to indicate the soap actually soiled the clothes.

Cultural differences can cause misinterpretations both in how others see expatriate managers and in how the latter see themselves. For e.g. U.S managers doing business in India often misinterpret the fact that local business people always address them in formal terms. They may view this as meaning that they are not friends or are not liked, but in fact, this formalism is the way that Indians always conduct business.

Non verbal communication

Is the transfer of meaning through means such as body language and use of physical space. The general categories that are especially important are Kinesics, proxemics, chronemics and chromatics.

Kinesics

Is the study of communication through body movement and facial expression. Primary areas of concern are: eye contact, posture and gesture. For e.g. when one communicates verbally with someone in the US, it is good manners to look in to the other person's eye. This area of communicating through the use of eye contact and gaze is known as oculusics. In some areas of the world oculusics is an important consideration because of what people should not do, such as stare at others or maintain continuous eye contact, because it is considered impolite to do these things.

Gestures are also widely used and take different forms. For e.g. Canadians shake hands, Japanese bow and Indians greet each other by folding hands near the heart (Namaste).

Sometimes gestures present problems for expatriate managers because these behaviors have different meanings. For e.g. in the U.S putting the thumb and the index finger to form an "O" is the sign for "OKAY". In Japan this is the sign for money; in Southern France it means "zero" or worthless and in Brazil it is regarded to be an obscene sign.

Chromatics

Is the use of color to communicate messages. Every society uses chromatics, but colors that mean one thing in the US may mean something entirely different in Asia. For e.g. in the US it is common to wear black when one is in mourning while in some locations in India people wear white when they are in mourning. In Hong Kong red is used to signify happiness or luck and traditional bridal dresses are red, but in US it is common to wear white dress.

Culture

In recent years India has begun to attract the attention of large MNCs, unsaturated consumer markets, coupled with cheap labor and production locations have helped India make India a desirable location for global market. Although most business people speak English, many of their values and beliefs are markedly different from those in the West. Thus understanding Indian culture is critical to successfully doing business in India. Shaking hands with male business associates is almost always an acceptable practice. U.S business people in India are considered to be equal, however the universal method of greeting an equal is to press palms together in front of the chest and say "Namaste" which means greetings to you.

While doing business in India, one will find a number of other customs useful to know, such as:

- It is important to be on time for meetings.
- Personal questions should not be asked unless the other individual is a friend or a close associate.
- Titles are important, so people who are doctors or professors should be addressed accordingly.

- Public display of affection is considered to be inappropriate so one should refrain from backslapping or touching others.
- While eating or accepting things, use the right hand because the left is considered to be unclean
- Indian classical music has gained popularity abroad Bargaining for food and services are common, this contrasts with western tradition, where bargaining might be considered rude or abrasive.

Many times Ustad Zakhir Hussain, Pandit Ravishankar, Pandit Hariprasad Chaurasia and other brilliant gurus of Indian classical music are busy giving concerts in foreign countries. In the same way, Indians have accepted the western music and the country has large number of followers of western music. Famous music director A.R.Rehman has declared that he will pay tribute to famous pop star Michael Jackson by composing a musical album with the help of all the music directors all over the world.

Indian food has also gained popularity all over the world. Indian Dosa is no more localized in India but is seen in the menu cards of all the five star hotels across the world. Similarly, Mc Donald's Burger, U.S. Pizzas etc. are gaining popularity in India.

Yoga referred to in Vedas for physical fitness has now reached the European countries and is reaching to India in the scientific form of Aerobics. We can see the followers of Baba Ramdev who is teaching various asans (exercises) and ayurvedic solutions to various problems. Similarly, in India we have Osho Ashrams where followers from the entire country and throughout the world learn the yogic art.

Localize your product to globalize your business

A **multinational company** (MNC) is a company or enterprise that manages production establishments or delivers services in at least two countries. Multinational corporations can have a powerful influence in international relations and local economies. Multinational corporations play an important role in globalization

Global Integration

The production and distribution of products and services of homogenous type and quality on a worldwide basis. MNC's customers have homogenous tastes and this helped MNCs to spread international consumerism.

National Responsiveness

The need to understand the different consumer tastes in segmented regional markets and respond to different national standards and regulations imposed by autonomous governments and agencies. The need to understand the different consumer tastes in segmented regional markets and respond to different national standards and regulations imposed by autonomous governments and agencies.

Example

The McDonald's "French fry" lawsuit has become one of the biggest stories in the vegetarian movement, yet very little about it has appeared in vegetarian publications. The class action suit originated after it was discovered that the fast-food chain had not told vegetarians that it's French fries and hash browns had beef in them,

contrary to the impression some had after a company press release of July 23, 1990, which stated that McDonald's fries were cooked in 100 percent vegetable oil. But alas, many unfortunate vegetarians did consume McDonald's French fries or hash browns after July 23, 1990, and in doing so unwittingly consumed minuscule amounts of beef.

A lawsuit was filed against the company and a \$10 million settlement was agreed upon, with \$6 million going to vegetarian groups. But then disputes erupted, not only with McDonald's, but within the vegetarian community as well, over which groups should get the money—probably the most serious and most public division in the history of the modern vegetarian movement. The divisions resulted in accusations against some vegetarian groups of “sleeping with the enemy” and unethical conduct. The case is being appealed, millions of dollars are at stake, and the outcome is in doubt. What's the story?

In the Beginning



The controversy began with Eric Schlosser's book *Fast Food Nation*, published in 2001. Schlosser, not himself vegetarian, noted the source of some of the so-called “natural flavors” in much fast food, remarking that the “natural flavor” in McDonald's french fries was derived from beef. Ironically, in light of subsequent developments, Schlosser got his information from *Vegetarian Journal*, a publication of the Vegetarian Resource Group (VRG).

One of Schlosser's readers was a Jain who asked McDonald's whether the company's fries contained beef. McDonald's confirmed Schlosser's information by email, and on April 6, 2001 the information was published in *India-West*, a California-based weekly targeting Asian Indians in North America. Harish Bharti—a Seattle lawyer and a native of India—then filed a lawsuit on May 1, 2001 in King County, Washington, claiming that McDonald's hadn't told the truth about their ingredients; he cited this email and Schlosser's book as evidence. McDonald's quickly issued a denial, saying it had never claimed its fries were vegetarian and that they had always contained beef flavoring.

But this denial provoked another unexpected development. Hindu nationalists **in India**, upon hearing about McDonald's statement, were furious, and protests were launched at various McDonald's restaurants. At some sites, the protests were peaceful; at others, they turned ugly, with windows broken and a statue of Ronald McDonald smeared with cow dung.

McDonald's backtracked, explaining that french fries sent to India (unlike its North American fries) were free of beef products. When laboratory tests revealed that no animal fat was in the french fries, the issue receded in India. But in the United States, additional lawsuits were filed in Texas, New Jersey, California, and Illinois, where the lawsuit was finally negotiated.

Wall Mart

- ✓ The World's largest retail giant.
- ✓ Owns 5,139 chain stores in 44 countries.
- ✓ Adds about 100 stores per year to its incredible list.
- ✓ "The Worlds most admired retailer." – Fortune

We're all working together; that's the secret.

*And we'll lower the cost of living for everyone,
not just in America, but we'll give the world an
opportunity to see what it's like to save and
have a better lifestyle, a better life for all.*

We're proud of what we've accomplished;

we've just begun." – Sam Walton (1918-1992).

- ✓ In 1962, Walton opened the first Wal-Mart store, Wal-Mart Discount City and within five years the company expanded to 24 stores across the state of Arkansas and reached \$12.6 million in sales.
- ✓ It was founded by Sam Walton in 1962, incorporated on October 31, 1969 , and listed on the New York Stock Exchange in 1972.
- ✓ Also in 1988, the first *Wal-Mart Super center* opened in Washington, Missouri. Wal-Mart expanded their superstore concept during the 1990s.
- ✓ The company also opened overseas stores during this period, entering the South American market in 1995 with stores in Argentina and Brazil.
- ✓ focusing on becoming more ecologically-friendly, the company designed two new experimental stores, one in McKinney, Texas and the other in Aurora, Colorado, featuring wind turbines, photovoltaic solar panels, bio fuel-capable boilers, water-cooled refrigerators.

The principle which is being followed by the Wall Mart is to expand globally but to adapt to the cultures of the different countries locally.

It is no surprise to most corporations in America that many companies are earning double digit increases in revenues from international sales. Many of the most successful companies sell more than half of their products overseas, which is easy to understand considering that the European and Japanese economies combined are much larger than the US economy. If you factor in the emerging economies in the rest of Asia, South America, Eastern Europe and the Middle East, you will quickly see that opportunities overseas can be tremendous. Software products should be expected

to lead the way for exports, since the cost of reproduction is minimal compared to hardware. Once successful at home, software companies can quickly move to expand globally to gain market share and increase high profit margin avenues. But fewer than half these companies are taking advantage of global economies. What is holding up our exports? Why are we more successful at home than elsewhere? We do have the home field advantage here, and there are many trade obstacles that companies must deal with when exporting goods - export duties, currency exchange, local and foreign regulations, representation overseas. But is that all? A leading issue that is keeping many U.S. companies back is lack of product Localization. To localize their products, those companies have to undertake special efforts to make them meet specific local needs. This requires adding features and capabilities to their mainstream products and customizing them to meet international prospects' requirements. One very important requirement is language. This means presenting the product in the native language of the user. Is the extra effort justifiable? You bet it is. Localization: **A threat?**

Many countries are starting to enforce laws requiring imported products to be provided in non-English languages. We all heard about incidents in France, Canada and Mexico involving U.S. affiliate companies that use English on their web sites or product labels. In 1994, the Toubon law in France imposed the compulsory; but non-exclusive, use of the French language in all documents used to inform the user or the consumer. This includes labels, leaflets, catalogs, brochures, guarantee certificates, instructions and more. This law even applies to software products' user interfaces, online documentation and Internet pages. For more information refer to <http://www.globalvis.com/toubon.html>.

Georgia Tech Lorraine, an affiliate of the U.S. based Georgia Institute of Technology; was taken to court because its home page was only offered in English, despite the fact that it provides classes on its French campus in English only. Similarly; French-speaking Quebec has strict laws and regulations regarding the use of English and French on products sold on its turf. South of the border, the **Wall Mart** store in Mexico City was shut down to properly affix more than 13,000 labels on products to meet local language requirements. All indications are that similar situations will occur more frequently around the world. The European Union continues to regard diversity of language as a great cultural asset and an important repository of heritage. Beginning June 1, many countries will follow France's footsteps by mandating that products sold in their countries meet their language needs. Some executives see these events as threats. They may reconsider their global vision and focus more locally. But savvy executives see them otherwise **An opportunity?** Putting the threat aside, many prominent companies have realized that to succeed internationally they have to localize products and literature to meet international prospects' needs. They have discovered that there are many compelling benefits to product Localization, which has led them to embrace it and depend on it. For one, it gives them a tangible competitive edge over companies that insist on making their international customers buy products or services as they are sold in the United States. How would you feel if you walked into your neighborhood's Chinese restaurant and you were offered their menu in Chinese only? Not very good -and yet we do it to our customers all the time. Localizing your products and literature also gives your company an international image that is hard to ignore. When worldwide customers and prospects log on your Internet site to get information about your company and its products or services, and find it offered in their native tongue, it gives them security and comfort, besides making your material more understandable.

What could be a better way to tell international customers that you are committed to serving their needs than to communicate in their mother language? By localizing your products, your commitment to customers worldwide is cemented in their minds, creating entry barriers for your U.S. based competition and leveling the field with local competitors. Many companies are already selling abroad, but are looking for ways to expand their international sales. They can do that either by market penetration or by selling to other international regions. Consider localizing your products for both. It can be a

compelling reason for customers in new markets to buy your products, as well as enabling a market penetration otherwise unattainable. Last but not least, are your international customer support costs very high? Product localization reduces your support costs where they are the most expensive - overseas.

What language to speak? Ask U.S. executives: "what is the language of business?" and many will respond without hesitation, "English!" Take a closer look at their companies; you'll likely find that they do sell the majority of their products in English-speaking countries. But what about the rest of the world? English is the leading answer, but it is not the only one. To succeed in today's economy companies have to think globally. The ones that don't will ultimately be taken over by the ones that do, or perish. To succeed globally companies have to cater to international customers. Product localization does require a commitment from the top. It is as strategically important to the company as the company's vision. And it absolutely has to be part of the strategy for companies with a global vision. After all, the language of business is not English. It is the language of the customer.

Nabil Freij is the President of GlobalVision International Inc., an international software and Internet localization company based in Hudson, with branches in Japan, East Europe and the Mid-East. The company has a web site at <http://www.globalvis.com>

Conclusion

The new face of the global village with no boundaries, no walls & no barriers has created a revolution of GLOCOLIZATION. Appeasing cocktail of Globalization & Localization.

The effort has been made to present the various related shapes in different forms in proceeding paragraph with the explosion of Information, Technology & Management

Of Information System no countries on the globe can progress individually.

Thus the National thinking whether be cultural, educational, trade, National securities & the betterment of Human Being has to be in line with the concept of GLOCOLIZATION

References

1. International Management – Richard Hodgetts and Fred Luthans
2. International Business Environment – Sundaram and Black
3. International Business Environment – Bhalla and Raju
4. International Financial Management – P.G.Apte
5. Global Business Today – Charles Hill
6. International Business Environment & Operations – John D.Daniels