

SLOVAK UNIVERSITY OF AGRICULTURE IN NITRA
FACULTY OF ECONOMICS AND MANAGEMENT

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STANDARDIZED VERSUS LOCALIZED STRATEGIES IN
DOING BUSINESS INTERNATIONALLY

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Svetlana Chaternuchová

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DOING BUSINESS INTERNATIONALLY

Bachelor thesis

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Supervisor:	prof. Dr. Ing. Elena Horská

Nitra 2011

Svetlana Chaternuchová

Declaration of Originality

I, the undersigned Svetlana Chaternuchová, solemnly declare that the thesis „Biometrior....“ is a result of my own independent research and was written solely by me using the literature and resources listed in Bibliography.

I am aware of legal consequences in case the data are not true and correct to the best of my knowledge.

Nitra, May 12, 2011

Svetlana Chaternuchová

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Abstrakt

Bakalárska práca prináša informácie o štandardizovaných a lokalizovaných stratégiách, ktoré využíva vybraný subjekt v rámci medzinárodného obchodu.

Potrebné informácie boli získavané na internete, keďže vybraná spoločnosť neposkytuje interné informácie verejnosti.

Úvodná časť práce je venovaná samotnej charakteristike podnikateľského subjektu na globálnom trhu. Spomenutá je jeho história, teritoriálna expanzia a podiel na svetovom trhu. Zahŕňa tiež informácie týkajúce sa produktovej politiky, štandardizácie a adaptácie, konkurenčných produktov a firemného systému. Ďalej práca pokračuje charakteristikou firmy na domácom trhu. Spomenuté sú dôležité prvky, ktoré vybraná spoločnosť používa v procese adaptácie produktov na miestny trh. Práca poskytuje nielen prehľad marketingových postupov, ale aj názorné ukážky konkrétnych prvkov. Taktiež sa zaoberá aktuálnou marketingovou kampaňou, ktorá je vytvorená pre domáci trh.

Značná pozornosť je venovaná výskumu, ktorý sa týka vybranej spoločnosti, jej produktov a marketingových kampaní. Tento výskum dopomohol k získaniu informácií ohľadom popularity tejto spoločnosti na domácom trhu.

Na základe získaných informácií práca odhaľuje, že spoločnosť sa vďaka vhodnej kombinácii štandardizácie a lokalizácie dokázala nielen adaptovať na domáci trh, ale dokonca sa stať jeho lídrom.

Kľúčové slová: produkt, globalizácia, štandardizácia, lokalizácia, trh, adaptácia

Abstrakt

The bachelor thesis brings information on the standardized and localized strategies in international business used by chosen company.

Necessary information was obtained on the internet, since the chosen company doesn't provide internal information to the public.

The introduction part is devoted to characteristic of the company at the global market. There is a mention of company's history, territorial expansion and share at the global market. It also includes information on product policy, standardization and adaptation, competitive products and company's system.

The work continues with characteristic of the company at the domestic market. There goes an about important elements which chosen company uses in the process of adaptation of their products to the local market. The work provides not only an overview of marketing techniques, but also demonstrations of specific features. It also deals with the actual marketing campaign that is designed for the domestic market.

A significant attention is given to the research concerning the chosen company, its products and marketing campaigns. This research helped to obtain the information about the company's popularity in the domestic market.

On the basis of obtained information this bachelor thesis reveals that company was able not only adapt to the domestic market, but even become its leader, due to appropriate combination of standardization and localization elements.

Key words: product, globalization, standardization, localization, market, adaptation

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Introduction

The present is characterized by the process of internationalization and globalization. National markets are giving way to the global market. It is caused by three main reasons. The first is innovation of technologies. Prices for transportation and telecommunication services have declined substantially, prompting the development of increased international trade and investment. Therefore the companies are able to minimize production costs by moving some production activities overseas. Second, globalization is supported by liberalization of international trade. A reduction of tariffs is conducive to the growth of trade and investment. Third, the collapse of the Communist system and the subsequent change and development strategies provided additional incentives for global integration.

Companies want to penetrate as many markets as possible. Internationalization brings many positives; the firms expand sales, acquire the resources and minimize risk. The conduct of international operations depends on companies' objectives and the means with which they carry them out. The operations are affected by the physical and societal factors and also by the competitive environment. Global competition is placing new emphasis on some basic tenets of business. It is focusing on the importance of quality, competitive prices and innovative products. Product standardization leads to production economies and other savings. As companies gain more experience with the idea of global markets, the approach is likely to be to standardize where possible and adapt where necessary. When they want to benefit from standardization as much as possible and still provide for local cultural differences, companies have to use an approach to product development that enables such flexibility.

Countries differ in their political systems, economic systems, legal systems, and levels of economic development and culture. When the companies want to be

successful, they have to provide their product with adaptation to meet needs and wants of local customer.

The goal of work is to refer to the application of standardization and localization strategies of the Coca-Cola Company, which they use at domestic market.

1. Some theoretical aspects related to the standardized and localized strategies in doing business internationally

1.1 Some theoretical aspects of the international business

First of all, in this paper, we should define what international business is. According to *Daniels et al. (2007)* the connections between supplies and markets would not happen without international business. International business is all commercial transactions – private and governmental, sales, investments, and transportation – that take place between two or more countries. Private companies undertake such transactions for profit; governments undertake them for profit and for political reason.

Hollensen (2008) claims, that international business is any firm that engages in international trade or investment. International trade occurs when a firm exports goods or services to consumers in another country. International investment occurs when a firm invests resources in business activities outside its home country. One must understand how countries differ and what these differences imply for an international business. One must understand the political and economic context within which international trade and investment occur. And one must understand the nature of the world monetary system including, and most important, the mechanism governing currency exchange rates between countries.

How international business is different is explained also by *Hollensen (2008)*. He says that the task of managing as international management differs from that of a purely domestic business in many ways. As the most fundamental level, the differences arise from the simple fact that countries are different. Countries differ in their cultures, political systems, economic systems, legal systems, and levels of economic development. Despite all the talk about emerging global village, and despite the trends toward globalization of markets and production, as we shall see in this book, many of these differences are very profound and enduring. He continues with his explanation, that differences among

countries require that an international business vary in its practices country by country.

Daniels et al. (2007) claim, that the conduct of international operations depends on companies' objectives and the means with which they carry them out. The operations affect and are affected by the physical and societal factors and the competitive environment, what are the actual differences.

Why companies engage in international business? *Daniels et al. (2007)* answer, that when operating internationally, a company should consider its mission, its objectives, and strategy. The main operating objectives are: to expand sales, to acquire resources, to minimize risk. These three objectives should guide any company's decision of whether, where, and how to engage in international business.

Once a company has decided to go international, it has to decide the way it will enter a foreign market and the degree of marketing involvement and commitment it is prepared to make, claim *Cateora - Ghauri (2000)*. These decisions should reflect considerable study and analysis of market potential and company capabilities, a process not always followed. Many companies appear to grow into international marketing through a series of phased developments. They gradually change strategy and tactics as they become more involved. Others enter international marketing after much research, with long-range plans fully developed.

1.1.1 Some theoretical aspects of the globalization

Daniels et al. (2007) consider globalization as the process of growing interdependence among countries. Globalization means different things to different people. Globalization is the deepening relationship and broadening interdependence among people from different parts of the world, and especially among different countries. Throughout recorded history, as people have

established contacts over a wider geographic area, they have expanded variety of resources, products, services, and markets available to them. They have altered the way they want and expect to live, and they have become more deeply affected (positively and negatively) by conditions outside their immediate domains.

According to *Hollensen (2008)* a popular feeling is that something fundamental is happening in the world economy. The term global shift has been coined by one author capture the essence of the change. We seem to be witnessing the globalization of markets and production. With regard to the globalization of markets, it has been argued that we are moving away from an economic system in which national markets are distinct entities, isolated from each other by trade barriers and barriers of distance, time, and culture, and toward a system in which national markets are merging into one huge global marketplace. According to this view, the tastes and preferences of consumers in different nations are beginning to converge on some global norm. Thus in many industries it is no longer meaningful to talk about “German market”, the “American market” or the “Japanese market”, there is only the “global market”. The global acceptance of Coca-Cola, Levi’s jeans, Sony Walkmans, and McDonald’s hamburgers exemplifies this trend.

Today, maintain *Daniels et al. (2007)*, global events and competition affect almost all companies – large and small –because most sell output to and secure supplies from foreign countries. Many companies also compete against products and services that come from abroad.

There are various roots to globalization, wrote in their book *Pokrivčák - Ruppel (2010)*. First, due to rapid technological progress, prices for transportation and telecommunication services have declined substantially, prompting the development of increased international trade and investment. Lower costs of transportation and communication enable companies to minimize production costs by moving some production activities overseas. Second, globalization is supported by liberalization of international trade in goods and services that took part within the World Trade Organization. A reduction of tariffs is conducive to the

growth of trade and investment. Third, the collapse of the Communist system and the subsequent change and development strategies from import-competing to and export provided orientation provided additional incentives for global integration.

Countries with freer international trade experience greater economic growth, claim *Pokrivčák - Ruppel (2010)*. This is the view of most international organizations like the World Bank, the International Monetary Fund, and the Organization for Economic Cooperation and Development. Academic writings make the same conclusions, and the fact seems to be obvious also for casual observes.

According to *Pokrivčák - Ruppel (2010)*, the growing share of world GDP is one of the distinguishing signs of progressive “globalization”, where the term globalization refers to growing international economic activity relative to domestic economic activity.

Table 1. Share of world exports on global GDP (percent)

Year	Exports/GDP
1820	1.0
1870	4.6
1913	7.9
1929	9.0
1950	5.5
1973	10.5
1990	19.7
2004	27.4

Source: *World Bank (www.worldbank.org)*

Hollensen (2008) claims, that national markets are giving way to the global market. Very significant differences in consumer tastes and preferences between

national markets still remain in many industries. These differences frequently require that marketing strategies and product features are customized to local conditions. Notwithstanding this, however, there is no doubt that there are more global markets today than at any previous period in history.

Companies such as Coca-Cola and McDonald's are more than just benefactors of this trend *Hollensen (2008)* claims, that they are also instrumental in facilitating it. By offering a standardized product worldwide, Coca-Cola and McDonald's are helping to create a global market. Nor does a company have to be the size of these two multinational giants to facilitate, and benefit from, the globalization of markets.

The modern world is organized on the theory that each nation state is sovereign independent from other countries. In reality, however, no country can completely isolate its international affairs from external forces. Even the most inward-looking regimes have realized the limitations of their own resources as well as the benefits of opening up their borders. This major change in the orientation of most regimes has led to an enormous amount of activity in the international marketplace; say *Cateora - Ghauri (2000)*. They continue that global economic boom, unprecedented in modern economic history, is under way as the drive for efficiency, productivity and open, unregulated markets sweep the world. Never before in world history have businesses been so deeply involved in and affected by international global developments. Powerful economic, technological, industrial, political and demographic forces are converging to build the foundation of new global economic order on which the structure of world economic and market system will be built.

What has happened in recent decades in the view of *Daniels et al. (2007)* to bring about the increased growth in globalization? The answer lies in the following seven factors:

1. Increase in and expansion of technology
2. Liberalization of cross-border trade and resource movements

-
3. Development of services that support international business
 4. Growing consumer pressures
 5. Increased global competition
 6. Changing political situations
 7. Expanded cross-national cooperation

They also think, that business is becoming more global because: a) Technology is expanding, especially in transportation and communications. b) Governments are removing international restrictions. c) Institutions provide services to ease the conduct of international business. d) Consumers know about and want foreign goods and services. e) Competition has become more global. f) Political relationships have improved among some major economic powers.

For a comparison, *Cateora - Ghauri (2000)* claim, that of all the trends affecting global business today, five stand out as the most dynamic and as the ones that are influencing the shape of international business:

1. The interdependence of world economies.
2. The rapid growth of regional free trade areas such as EU, NAFTA, ASEAN and APEC.
3. The increase in wealth and growth in most parts of the world, causing enhanced purchasing power.
4. The evolution of large emerging markets such as Argentina, China, India, Indonesia, Malaysia, Russia, Hungary and Poland.
5. Availability of advanced methods of communication and transportation due to developments in information technology.

Cateora - Ghauri (2000) wrote that global competition is placing new emphasis on some basic tenets of business. It is reducing time frames and focusing on the importance of quality, competitive prices and innovative products. Time is becoming a precious commodity for business, and expanding technology is shortening product life cycles and creating greater opportunities for innovative products. A company can no longer introduce a new product with expectation of dominating the market for years while the idea spreads slowly through world markets. Shorter product life cycles mean that a company must maximize sales

rapidly to recover development costs and generate a profit by offering its products globally. Along with technological advances have come enhanced market expectations for innovative products at competitive prices. Today, strategic planning must include emphasis on quality, technology and cost containment.

1.2 Some theoretical aspects of the international marketing

Marketing can be defined in several ways, *Terpstra - Ravi (1994)* define it broadly as the collection of activities undertaken by the firm to relate profitability to its market. The firm's ultimate success depends primarily on how well it performs on the marketplace.

As the most important definition is considered the one of *Kotler - Armstrong (2010)* which says, that marketing is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the process by which companies create value for customers and build strong customer relationship in order to capture value from customers return.

According to *Cateora - Ghauri (2000)*, international marketing is the performance of business activities that direct the flow of a company's goods and services to consumers or users in more than one nation for a profit. The only difference in the definitions of domestic marketing and international marketing is that the marketing activities take place in more than one country. This apparently minor difference accounts for the complexity and diversity found in international marketing operations.

According to the *Terpstra - Sarathy (1994)*, international marketing consists of findings and satisfying global customer needs better than the competition, both domestic and international, and coordinating marketing activities within the

constraints of the global environment.

Marketing is an economic activity affected by the economic environment in which it is conducted, claim *Terpstra - Sarathy (1994)*. International marketing has twofold economic environment: the global, or world, economy, and the economy of individual countries.

In domestic marketing, wrote *Terpstra - Sarathy (1994)*, much emphasis is placed on the analysis of buyer behavior and motivation. For the international trade marketer, knowledge of the basic causes and nature of international trade is important. Nations trade for economic, political, and cultural reasons, but the principal economic basis for international trade is difference in price; that is, a nation can buy some goods more cheaply from other nations than it can make them itself.

According to *Cateora - Ghauri (2000)*, marketing concepts, processes and principles are to the great extent universally applicable, and the marketer's task is the same whether doing business in Amsterdam, London or Kuala Lumpur. The goal of business is to make profit by promoting, pricing and distributing products for which there is a market.

Terpstra - Sarathy (1994) think, that international marketing has become more important to companies around the world for three reasons: foreign markets constitute an increasing portion of the total world market, foreign competitors are increasing their market share in one another's markets, and foreign markets can be essential sources of low-cost products, technology and capital. In a word, the U.S. and other major economies are now more independent with world markets.

Cateora - Ghauri (2000) claim, that current interest in international marketing can be explained by the changing competitive structures coupled with shifts in demand characteristics in markets throughout the world.

In the table 2. is shown the overview of the advantages and disadvantages of international marketing. Fundamental objective of international activities of firm is as always the increase of turnover and profit.

Table 2. Potential advantages and disadvantages of international marketing.

Potential advantages	Potential disadvantages
<ol style="list-style-type: none"> 1. opportunity to achieve economies of scale 2. opportunity of growth, if the domestic trade is limited 3. opportunity to avoid the hard competition at home 4. keep up with international competition 5. create an international brand image, or provide services to multinational clients 6. opportunity to dispose of large stocks 7. opportunity to increase profits by using the excess capacity 8. opportunity to extend the product life cycle, if the course abroad is other than in domestic country 9. obtain savings from lower costs (particularly wage) and more free regulation 10. geographic diversification reduces risk compared with action only in one country 	<ol style="list-style-type: none"> 1. the cost of the customization of marketing mix 2. risk of governments instability 3. risk of currencies instability 4. difficult entry requirements, different standards, legislation and regulations 5. difficulty understanding the local culture, customs, values and norms 6. difficulty in entering the local distribution channel

Source: *De Pelsmacker et al. (2003)*

To the issue of the international marketing is very closely related the international marketing management. Marketing management is the planning and

coordinating all of the marketing activities in order to achieve successfully integrated marketing program, claim *Terpstra - Sarathy (1994)*.

According to *Cateora - Ghauri, (2000)*, determining a firm's overall international strategy to achieve goals and objectives is the central task of international marketing management that defines the level of international integration of the company. Companies must deal with a multitude of strategic issues including the extent of the internationalization of operations.

Cateora - Ghauri (2000) also wrote that the primary distinction between global marketing management and international marketing management is orientation. Global marketing management is guided by the global marketing concept which views the world as one market and is based on identifying and targeting cross-cultural differences and is guided by the belief that each foreign market requires its own culturally adapted marketing strategy.

There is still debate about the extent of global markets today, continue *Cateora - Ghauri (2000)*. A reasonable question concerns whether a global marketing strategy is possible and whether a completely standardized marketing mix can be achieved. Keep in mind that global marketing strategy and the globalization of markets are two separate, although interrelated, ideas. One has to do with efficiency of operations, competitiveness and orientation, the other with the homogeneity of demand across cultures. There are at least three points that help define a global approach to international marketing: first, the world is viewed as the market; second, homogeneous market segments are sought across country market sets; and third, standardization of the marketing mix is sought wherever possible but adapted whenever culturally necessary.

1.3 Some theoretical aspects of standardization and adaptation

1.3.1 Standardization

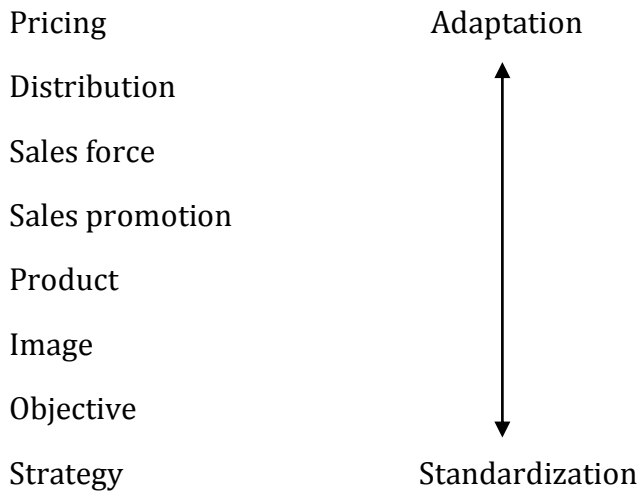
According to *Onkvisit - Shaw (2009)* product standardization means that the product originally designed for a local market is exported to other countries with virtually no change, except for the translation of words or other cosmetic changes.

Cateora - Ghauri (2000) think that several benefits are derived from globalization and standardization of the marketing mix. Economies of scale in production and marketing are the most frequently cited benefits. Transfer of experience and know-how across countries through improved coordination and integration of marketing activities is also cited as a benefit of globalization.

Doole - Lowe (2008) claim, that the challenge facing firms with aspirations to become truly effective global players appears to be turning widespread international presence into global competitive advantage. The critical success factor in achieving this is to offer added value for global customers by providing them with benefits that are significantly better than those provided by the competitors, particularly local competitors. The benefits can be tangible, for example a global product such as Intel processors that are broadly the same worldwide, or intangible, for example a brand such as Rolex that is recognized worldwide. At the same time they must aggressively seek cost efficiencies that will enable the firm to offer better value for money than their competitors.

In general, according to *Doole - Lowe (2008)*, marketing strategies are more readily standardized than operational marketing decisions. Within the marketing mix, products are more easily standardized, promotion less so and distribution and pricing only with difficulty. The more operational the decisions the more likely it is to be differentiated.

Figure 1. Standardization and adaptation



Source: *Doole - Lowe (2008)*

The research focusing on the standardization vs. adaptation of the marketing mix elements has received during the years quite a lot of attention, claims *Elinder (1961)*. The first articles focusing on the issue were published already in early 1960s, but in general the attention paid to the issue was quite limited. In the early studies it was argued that advertising campaigns could be standardized across European countries in the same way they were standardized across states in the USA.

As presented by *Theodosiou - Leonidou (2003)* proponents of the standardization approach view the globalization trends in the world as the driving force behind greater market similarity, more technological uniformity, and higher convergence of consumer needs, tastes, and preferences. They also claim that standardization is further facilitated by the growth of international communication channels, the emergence of global market segments, and the appearance of the internet. They posit that such a strategy can offer a number of benefits: a) significant economies of scale in all value-adding activities, particularly in research and development, production, and marketing; b) the presentation of a consistent corporate/brand image across countries, especially in light of the increasing

consumer mobility around the world; c) reduced management complexity due to better coordination and control of international operations.

Cateora - Ghauri (2000) think, that as companies gain more experience with the idea of global markets, the approach is likely to be to standardize where possible and adapt where necessary. To benefit from standardization as much as possible and still provide for local cultural differences, companies are using an approach to product development that allows for such flexibility. The idea is to develop a core platform containing the essential technology, and then base variations on this platform. To differentiate for the sake of differentiation is not a solution, neither is adaptation for the sake of adaptation or standardization for the sake of standardization. Realistic business practice requires that a company strives for uniformity in its marketing mix whenever and wherever possible, while recognizing that cultural differences may demand some accommodation if the product is to be competitive.

The proces of standardization is also going on in the European Union in all the fields and areas. Very good example is the White Paper on food safety which is the guideline for all EU members. It ws established tho outline a comprehensive range of actions needed to complement and modernize existing EU food legislation, to make it more coherent, undetsandable and flexible, to promote better enforcement of that legislation, and to provide greater transparency to customers; in addition, to guarantee a high level of food safety. (*www.europa.eu*)

1.3.2 Adaptation

Legal, economic, technological and climatic requirements of the local marketplace often dictate product adaptation, think *Cateora - Ghauri (2000)*. Specific package sizes and safety and quality standards are usually set by laws that vary among countries. To make a purchase affordable in low-income countries, the number of units per package may have to be reduced from the typical quantities offered in high-income countries. Changes may also have to be made to

accommodate climatic differences. The less economically developed is market, the greater degree of change a product may need for acceptance.

Cateora - Ghauri (2000) also wrote that even between markets with few cultural differences, substantial adaptation could be necessary if the product is in different stage of its life cycle in each market. Product life cycle and the marketing mix are interrelated; a product mature stage of its life cycle in one market can have unwanted and/or unknown attributes in a market where the product is perceived as new and thus in its introductory stage. Certainly an important approach in analyzing products for foreign markets is determining the stage of product's life cycle. All subsequent marketing plans must then include adaptations necessary to correspond to the stage of the product life cycle in the new market.

One of the crucial aspects in the process of adaptation is local culture. According to *Cateora - Ghauri (2000)*, culture is often defined as 'inherited ethical habit', consisting of values and ideas. Ethical systems create moral communities because their shared languages of good and evil give their members a common life. They also claim that culture is the human-made part of human environment – the sum total of knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by humans as members of society. Culture is everything that people have, think and do as members of society". Another definition made by *Terpstra - Sarathy (1994)* is that culture is an integrated pattern of behavior shared by people and the distinctive way of life of people. The importance of cultural variables to firm as marketing internationally is that what they are able to do in marketing to a particular society and what they want to do is shaped by these variables. In other words, international marketing is a function of culture.

According to *Hofstede (2001)*, culture is always a collective phenomenon, because it is at least partially shared with people who live or lived within the same environment, which is where it was learned. It is collective programming of the mind which distinguishes the members of one group or category of people from

another.

Cateora - Ghauri (2000) claim, that culture includes every part of life. The scope of term culture to the anthropologist is illustrated by elements included within the meaning of the term. They are:

1. Material culture – technology, economics
2. Social institutions – social organization, political structures
3. Education – literacy rate, role and levels
4. Belief systems – religion, superstitions, power structure
5. Aesthetics – graphic and plastic arts, folklore, music, drama and dance
6. Language – usage of foreign languages, spoken versus written language

Each cultural element must be evaluated in the light of how it could affect a proposed marketing programme; some may have only indirect impact, others may be totally involved. Generally it could be said that the more complete the marketing involvement or the more unique the product, the more need for thorough study of each cultural element.

There are in fact four organizational culture types:

1. Competitive or market culture which is characterized by an emphasis on competitive advantage and market superiority.
2. Entrepreneurial or adhocracy culture which emphasizes innovation and risk-taking.
3. Bureaucratic or hierarchy culture which regulations and formal structures are important. And
4. Consensual or clan culture which emphasizes loyalty, tradition and internal maintenance.

Doole - Lowe (2008) found that in each country more competitive and entrepreneurial firms perform better and consensual and bureaucratic firms perform worse than their national peers.

Very closely related to adaptation and standardization is the term globalization. *Hollensen (2008)* claims, that the global marketing strategy strives to

achieve the slogan, 'think globally but act locally' (the so-called 'glocalization' framework), through dynamic interdependence between headquarters and subsidiaries. Organizations following such a strategy coordinate their efforts, ensuring local flexibility while exploiting the benefits of global integration and efficiencies, as well as ensuring worldwide diffusion of innovation.

1.4 Some theoretical aspects of the international markets and product development

Czinkota - Ronkainen (2007) say that studies on product adaptation show that the majority of products have to be modified for the international marketplace one way or another. Changes typically affect packaging, measurement units, labeling, product constituents and feature, usage instructions, and, to a lesser extent, logos and brand names.

According to *Cateora - Ghauri (2000)*, there is a recurring debate about planning and development that focuses on the question of standardized or global products marketed worldwide versus differentiated products adopted, or even redesigned, for each culturally unique market. One extreme position is held by those with strong production and unit-cost orientation who advocate global standardization, while at the other extreme are those, perhaps more culturally sensitive, who propose a different or adopted product for each market.

Cateora - Ghauri (2000) also claim that underlying the arguments offered by the proponents of standardized products is the premise that global communications and other worldwide socializing forces have fostered a homogenization of tastes, needs and values in significant sector of the population across all cultures. This has resulted in a large global market with similar need and wants that demands the same reasonably priced products of good quality and reliability.

Although recognizing some cultural variations, advocates of standardization believe that product standardization leads to production economies and other savings that permit profits at prices that make a product attractive to the global market, wrote *Cateora - Ghauri (2000)*. Economies of production, better planning, more effective control and better use of creative managerial personnel are the advantages of standardization. Such standardization can result in significant cost savings but it makes sense only when there is adequate demand for the standardized product.

According to *Czinkota - Ronkainen (2007)*, all the products have to conform to the prevailing environmental conditions, over which the marketer has no control. These relate to legal, economic, and climatic conditions in the market. Further adaptation decisions are made to enhance the exporter's competitiveness in the marketplace. This is achieved by matching competitive offers, catering to customer preferences, and meeting demands of local distribution systems. The adaptation decision will also have to be assessed as a function of time and market involvement. The more exporters learn about local market characteristics in individual markets, the more they are able to establish similarities and, as a result, standardize their marketing approach, especially across similar markets. This market insight will give the exporters legitimacy with the local representatives in developing a common understanding of the extent of standardization versus adaptation.

2. Goal of the work

For the topic of work we have picked the Coca-Cola Company. The main reason why we have chosen Coca-Cola is that this company is known worldwide and can be a very good example of the product standardization and product adaptation. This company is also perceived as the most valuable brand in the whole world. The Coca-Cola Company has centralized, global leadership, but they have to adapt the marketing mix to local markets, because every country has a different culture, habits, language and many other aspects. It is very important to say, that in this work we wanted to achieve some bigger goals, but we must have mentioned also some smaller ones, such as the basic information about the Coca-Cola Company and the history of the company. These smaller goals are essential for the reason, that it is very good to know the background of the company. Then we could concentrate on the bigger goals, such as market share, territorial expansion, product policy and product adaptation of the Coca-Cola Company.

The main goal of the work is to show marketing aspect as standardization of the product to the global market and adaptation of the product to the local one. One of the goals was to refer, how Coca-Cola used specific features to adapt their products to Slovak market. We wanted to find out, how local customers react on the brand Coca-Cola, whether they know their campaigns of buy their products.

3. Materials and methodology

The final work analyses and evaluates marketing performance of the Coca-Cola Company, which deals with production of soft drinks, waters, juices, coffees, teas and other beverages. The Coca-Cola Company is the most valuable brand worldwide, which also means that it is the leader of the market. The company uses globalized marketing strategy, but they also adapt the campaigns and product to the needs of local customers.

For the preparation of thesis, we used these methodologies:

First, we searched and collected the necessary information by studying scientific literature, concerning general knowledge about marketing, in order to become more familiar with the topic. In addition, we obtained the information by studying books and journals dealing with this topic.

Next important step was the selection of the company. The reason, why we have chosen this particular company is that it is a worldwide brand and that is why it could be a good example of product standardization and adaptation. We collected most information about this company from the internet. We also tried to get some information from the sales representative of the company, but he could not give me any internal details. Then it was necessary to process this information, analyze it, sort it or add by practical experiences.

After the data were processed, we characterized the company itself. Apart from the basic data about the company it also includes territorial expansion and market share, product policy and the system of the company. Then I continued with the information about Coca-Cola Slovakia, where I described basic facts, history and product adaptation to the local market.

The next step of the work belongs to the research, which we made to find out, how people respond to the company. This research was created on the internet by an application on the website www.google.com. It was published on www.facebook.com and also spread through email. It was a questioner with five questions concerning the company and one focused on the age category of participants. They were given two days to respond to the survey. The final number of observations was seventy two. In the following step data were processed and assumptions were made according to the results.

The final work was prepared based on information and selected methodological procedures, focused on the issue of standardization and adaptation in the international business.

4. Results and discussions

4.1 The Coca-Cola Company



The Coca-Cola Company is the world's largest beverage company. This company is refreshing consumers with more than five hundred sparkling and still brands. Led by Coca-Cola, the world's most valuable brand, the Company's portfolio features 14 billion dollar brands including Diet Coke, Sprite, Fanta, Coca-Cola Zero, Vitaminwater, Powerade, Minute and many others. Globally, they are the number one provider of sparkling beverages, juices and juice drinks and ready-to-drink teas and coffees. Consumers in more than two hundred nations enjoy the Company's beverages at a rate of 1.7 billion servings a day, through the world's largest beverage distribution system. With a permanent commitment to building sustainable communities, company is targeted on initiatives that reduce their environmental footprint, support active and healthy living, improve the economic development of the communities where they operate and create a safe, inclusive work environment for their associates.

4.1.1 History of the company

It was the 1886, and workers were constructing the Statue of Liberty in New York Harbor. Eight hundred miles from there, another great American symbol was about to be revealed. In May 8 1886 John S. Pemberton created and served Coca-Cola at Jacobs' Pharmacy. Like many people who changed history, John Pemberton, an Atlanta pharmacist, was inspired by simple curiosity. One afternoon, he mixed up a fragrant, caramel-colored liquid and then, he carried it a few doors down to Jacobs' Pharmacy. There, the mixture was combined with carbonated water and tasted by customers who all agreed that this new drink was something special. Jacobs' Pharmacy sold it for five cents a glass. Nine drinks a day were sold during this year. Company bookkeeper, Frank Robinson, named the

drink “Coca-Cola” and drawn the famous Spencerian script logo. The first newspaper advertisement appeared announcing Coca-Cola as a “Delicious and Refreshing Beverage.”

A century later, The Coca-Cola Company produced more than 10 billion gallons of syrup. Unfortunately for Pemberton, who died in 1888 without realizing the success of the beverage he had created.

Over the course of three years, from 1888 to 1891, Atlanta businessman Asa Griggs Candler secured rights to the business for a total of about two thousand and tree hundred American dollars. Candler would become the Company's first president, and the first to bring real vision to the business and the brand. He transformed Coca-Cola into a business. He gave away coupons for complimentary first tastes of Coca-Cola, and outfitted distributing pharmacists with urns, clocks, calendars and apothecary scales bearing the Coca-Cola brand. The aggressive promotion worked, people saw Coca-Cola everywhere. In 1899, two lawyers from Chattanooga, Benjamin F. Thomas and Joseph B. Whitehead, secured exclusive rights from Candler to bottle and sell the beverage, and that for the sum of only one dollar. The Company also decided to create a distinctive bottle shape to assure people they were actually getting a real Coca-Cola. The Root Glass Company from Indiana won a contest to design a bottle that could be recognized even in the dark. In 1916, they began manufacturing the famous contour bottle.

Probably no person had more impact on The Coca-Cola Company than Robert Woodruff. In 1923 Woodruff became the Company president. He was a marketing genius who saw opportunities for expansion everywhere. He led the expansion of Coca-Cola overseas and in 1928 introduced Coca-Cola to the Olympic Games for the first time when Coca-Cola traveled with the team of the United States to the 1928 Amsterdam Olympics. He also pushed development and distribution of the six-pack, the open top cooler, and many other innovations that made it easier for people to drink Coca-Cola at home or away. This new Woodruff's thinking ensured Coca-Cola not just a huge success, but a big part of people's lives.

During World War II, lots of people enjoyed their first experience of the beverage, and when peace finally came, the foundations were laid for Coca-Cola to do business overseas. After seventy years of success with one brand, Coca-Cola, the Company decided to develop new flavors: Fanta originally developed in the 1940s and introduced in the 1950s, and Sprite followed in 1961.

Advertising for Coca-Cola, always an essential and exciting part of its business, really came into its own in the 1970s, and made a brand image connected with fun, friends and good times. The international attraction of Coca-Cola was embodied by a 1971 commercial, where a group of young people from all over the world met on a top of hill in Italy to sing "I'd Like to Buy the World a Coke." In 1993 people saw the introduction of the popular "Always Coca-Cola" advertising campaign and the world met the lovable Coca-Cola Polar Bear for the first time.

By the year 1997, the Company sold 1 billion servings of its products every day.

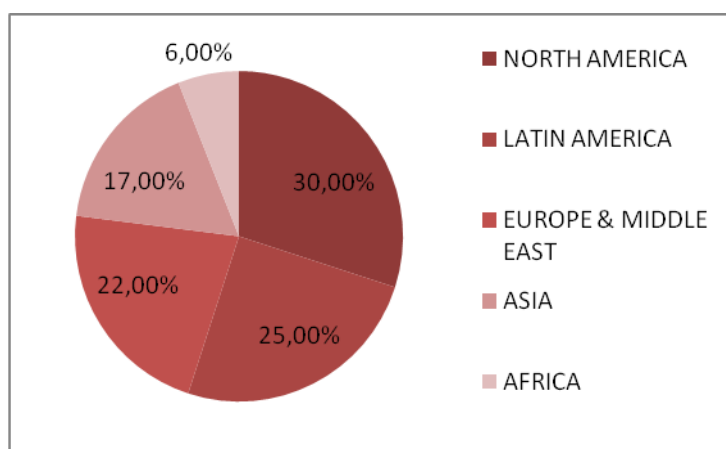
Nowadays is Coca-Cola engaged to local markets, paying attention to what people from different cultures like to drink, and how and where they want to drink it. From the early times when just nine drinks a day were served, Coca-Cola has grown to the world's most valuable and best known brand, with more than 1.4 billion beverage servings sold each day.

4.1.2 Market share and territorial expansion

In the year 1895 Asa Candler declares in the Annual Report that Coca-Cola is sold and drunk in every state and territory in the United States. Then, 11 years later, bottling operations begin in Canada, Cuba and Panama, becoming the first three countries outside the United States to bottle Coca-Cola. In the year 1912 bottling operations are started also in the Philippines, the Company's first expansion into Asia and seven years later the first bottling plants are opened in Europe in Paris and Bordeaux.

Today is Coca-Cola the biggest company in the soft drink industry and enjoys the largest market share. This company controls about 59% of the world market. In 2002, the company grew their carbonated soft-drink business by nearly 250 million unit cases and generated record volumes. Because carbonated soft drinks are the largest growth segment within the nonalcoholic ready-to-drink beverage category measured by volume, that is why they are focusing more on this and they are continually increasing the pace because they know that accelerating this pace is crucial to their future success. Thus they are increasing their market day by day. Coca Cola is the world-renowned soft drink and the company is currently operating throughout the world. The world wide total is about 17.8 billion. The operation review according to the segments is as follows: North America 30%, Latin America 25%, Europe and Middle East 22%, Asia 17% and Africa 6%.

Figure 2. The share in the global market.



4.1.3 Product policy

Coca-Cola Company is a huge portfolio with more than three thousand five hundred beverages, from diet and regular sparkling beverages to still beverages such as one hundred percent fruit juices and fruit drinks, sports and energy drinks, waters, coffees and teas, and milk-and soy-based beverages, their variety expands the globe. There are different brands which are currently in use throughout the

world. The company not only deals with the carbonated drinks but also other drinks. When they are launching its product, the marketing team considers the culture of the country.

Major brands of coca cola:

- Coke also know as Coca-Cola
- Sprite
- Fanta
- Diet coke also known as Coca-Cola Light
- Coke Zero

Among the soft drinks Fanta and Sprite become successful along with the major brand Coca Cola and Diet Coke.

As the most recognizable product features of Coca-Cola are the label and the bottle. The logo of Coca-Cola, like the product itself, is rated among the most recognized logo design and brands in the world. The first Coca-Cola logo was created by partner and bookkeeper of John Pemberton, Frank Mason Robinson, in 1886. He though, that the two Cs would look well in advertising, came up with the name and chose the famous cursive script logo. The typeface used, known as Spencerian script, was developed in the mid 19th century and was the dominant form of formal handwriting in the United States during that period. The white and red colored scheme in the Coca-Cola logo was kept simple and distinctive to attract young minds. The Coca-Cola logo was first advertised in the Atlanta Journal in 1915 and was also shown on the display of Pemberton's pharmacy. A Coca-Cola dispenser with the popular logo design was later created by Raymond Loewy. In 1887, the Coca-Cola logo got registered as a trademark and has since then become the brand's corporate identity.

Figure 3. The Coca-Cola logos.



Another, very good recognizable feature is the Coca-Cola bottle. A strong bottling system developed that Coca-Cola became the world-famous brand it is today. In the year 1894 Joseph A. Biedenharn began bottling Coca-Cola to sell, using a common glass bottle called a Hutchinson. Bottlers worried that the straight-sided bottle for Coca-Cola was easily confused with imitators. A group representing the Company and bottlers asked glass manufacturers to offer ideas for a distinctive bottle. A design from the Root Glass Company of Terre Haute, Indiana won enthusiastic approval in 1915 and was introduced in 1916. The contour bottle became one of the few packages ever granted trademark status by the U.S. Patent Office. Today, it is one of the most recognized icons in the world even in the dark. Since then, various designs of the Coca-Cola bottle had been released over the decades. The Coca-Cola bottling system grew up with roots deeply planted in local communities. This heritage serves the Company well today as people seek brands that honor local identity and the distinctiveness of local markets. As was true a century ago, strong locally based relationships between Coca-Cola bottlers, customers and communities are the foundation on which the entire business grows.

Figure 4. The evolution of Coca-Cola bottles.



4.1.4 Standardization and adaptation

Although the branding and position of Coca-Cola remains consistent worldwide, its execution is based on what is judged to be best for each local market. This is evident in its 'Live on the Coke Side of Life' advertisement campaign launched in 2006 where elements of local culture are included. On the product side, Coke bottles and cans include the target countries native language

and are sized to match up to other beverage bottles or cans in that country. The company also offers a varied product line-up to capture different consumer tastes, for example, soy drinks for its Asian markets.

Having a strong brand gave Coca-Cola the supplier bargaining power it needed to break into the more complex and entrenched distribution systems of lots of countries. Adding the fact that food laws can vary tremendously from one country to another, it is not surprising that Coca-Cola describes itself as multi-local'. Despite a standardized product, Coca-Cola is obliged to adopt different approaches to the global marketplace. Although Coca-Cola can seemingly gain a great deal from a standardized agenda, its decision to combine global and local resources is ultimately more long-standing in a market where national customer differences are influential.

4.1.5 Competitive products at global and local markets

Coca-Cola has many competitors around the world, but as the major competitor is considered "PEPSI" and there is no hesitation to say this because everyone knows that. All the other cold drinks and water, coffee, tea are the competitors.

PepsiCo brands are available in nearly 200 countries and territories. Many of PepsiCo's brand names are over 100-years-old, but the corporation is relatively young. PepsiCo was founded in 1965 through the merger of Pepsi-Cola and Frito-Lay. Tropicana was acquired in 1998 and PepsiCo merged with The Quaker Oats Company, including Gatorade, in 2001 would entertain the listener with the latest musical selections rendered by violin or piano or both. The new name, "Pepsi Cola", is derived from the two of the principle ingredients, Pepsin and Kola Nuts. It was first used on the August 28. At that time, Bradham's advertising praises his drink as "Exhilarating, invigorating, aids digestion".

Consumers firstly decide that they are going to have a soft drink. Then they compare brands with each other. They compare Coca-Cola with Pepsi and Sprite with 7up. So the major global competitor of Coca-Cola is Pepsi.

Company Coca-Cola has also many other competitors on the local markets. In every country, where Coca-Cola is distributed, there is at least one other company trying to develop and sell the product, which is very similar to the Coca-Cola. These products are usually sold for cheaper price, but the quality of the product is also lower than the Coca-Cola's. In our domestic market we can find soft drinks such as Kofola, Šofocola, Hejcola and so on.

4.1.6 The Coca-Cola system

Coca-Cola system is generated worldwide by The Coca-Cola system and its partners. The Coca-Cola Company, which owns the brand and merchandising rights, the basic raw material for producing soft drinks, creates a character and marketing of products. The company provides various production and distribution organizations in time and geographically limited license to produce and distribute the finished soft drinks.

Contract manufacturer in Slovakia is Coca-Cola Beverages Slovakia (CCBS), which belongs to Coca-Cola Hellenic Bottling Company (Coca-Cola HBC).

The concentrates, therefore the materials for the manufacture of soft drinks, which are supplied by The Coca-Cola Company, the plant produces a refreshing non-alcoholic beverages which comply with the strict requirements of the particular quality. These drinks are distributed in strictly defined areas. In the year 2006 is running the soft drink companies in more than 200 countries.

In the early days doing various production plants at the local level also marketing activities, but in the 60 years, when virtually every day opening up in

new countries and other manufacturing companies filling bottled products of The Coca-Cola Company has revealed that this variety would soon lead to an uncomfortable fusion. Therefore the company decided to centrally manage the individualization of brands and care for them, it means brand building and marketing of new products to market.

4.2 Coca-Cola Slovakia

The worldwide success of Coca-Cola came also to countries behind the “Iron Curtain”. It lasted for almost 30 years longer than in Western Europe, but Coca-Cola has found its way even to the Czechoslovakia.

According to the tradition, the first Coca-Cola was sold in Slovakia, in Bratislava. It was in the thirties of the 20th century. It came back to Slovakia in the early seventies. The state apparatus decided that Coca-Cola will be produced in the territory of Czech Republic and from there distributed to the entire Czechoslovakia.

The first Coca-Cola produced in Slovakia came from Liptovský Mikuláš. There were located the manufacturer, which produced the soft drinks under the license of Coca-Cola Company. From 1993, Coca-Cola has been making large investments in Slovakia. The Coca-Cola products are made in their own factory in Lúka under the name Coca-Cola Beverages Slovakia. Manufacturing plant in a meadow with four filling lines is among one of the most modern in Central and Eastern Europe and is the largest and most modern plant for manufacture of soft drinks in Slovakia.

In 1996 the company decided to establish itself as the Coca-Cola Slovakia. The main mission of Coca-Cola Slovakia is the consumer marketing, in other words, it focuses directly on the consumer. While Coca-Cola Beverages Slovakia invests in “tangible thinks” such as buying land, buildings, machinery, trucks, bottles, boxes, Coca-Cola Slovakia invests its resources in activities which are beneficiary for the

customer directly, such as advertisements in electronic media or consumer sweepstakes. Coca-Cola Slovakia and Coca-Cola Beverages Slovakia shall become the common name Coca-Cola system.

In 2000, with total investment exceeding 3.3 billion dollars is the Coca-Cola Company the largest foreign investor in the Slovak food industry. There is over six hundred fifty employees working for the company.

4.2.1 Product adaptation to the local market

The global principle of the Coca-Cola business requires that the companies system has the highest processes and standards and for ensuring identical product safety and quality, from the concentrate production to the bottling and product delivery.

Coca-Cola, the biggest producer of soft drinks worldwide, has to provide their products with the adaptation to the local markets. Every market, every country differs in many spheres, therefore the company has to localize their products to make them available and attractive for the local customers.

Coca-Cola is the company with a portfolio of more than 3,500 beverages. Therefore the first feature, which Coca-Cola has to adapt, is the product platform. They have to choose which drinks will be sold at the particular market. They customize functional features, flavors, color and other aspects to cultural variations. But the flavor and color of all the products is kept identical. When they make some innovative product, they rather establish new product line. For example, under the product line Bonaqua there are many kinds and flavors available at our market and in the European market, but it would not be found at the US market. There are sold waters such as Aquarius or Dasani. The Nestea products, which are very popular at our domestic market, would not be bought at the Japanese market. And the juice Cappy, which is also very well known to Slovakian customers, is sold only in twenty two countries and all of them are in

Europe. The complete list of products sold in Slovakian market can be seen in appendix 1.

Another product feature Coca-Cola adapted to domestic needs is the packaging of the product. This includes labeling, price, brand name, language and other aspect of product's package. The label is customized to the Slovakian customer, it means, it is translated to the local language. It is actually a duty set by the government, which has to be met. It is useful for the consumer, because they can find there information about nutrition values and flavors of the drinks. The logo in our country stays unchanged from the original one. In the Figure 5. can be seen an example of the various Coca-Cola logos from the world.

Figure 5. The original Coca-Cola logo and adapted logos from various countries.



Price is adapted to the Slovakian market, but it is one of the highest at the market, very closely balanced with the Pepsi one. But the price of Coca-Cola drinks responds to the quality of the products.

The design of the product is another feature which is adapted to the Slovakian market. Bottles and cans are sized to match up to other beverage bottles or cans in our country. In the figure 6. are shown the examples of the Coca-Cola bottles from around the world.

Figure 6. Coca-Cola plastic bottles.



Another, very important product feature, which is adapted to the local market, is the product promotion.

The Coca-Cola Company uses the strategy of global marketing. They are considering the whole world as single market place and uniform marketing strategy was being used by Coca-Cola for many years, but now the trend is changing and different marketing campaigns are being designed for different regions of the world. Business decisions are made on domestic basis to fit in with the culture and needs of the domestic community. Despite a standardized product, Coca-Cola is obliged to adopt different approaches to the global marketplace.

Company makes global marketing campaigns as well as local ones. This year Coca-Cola is celebrating 125th anniversary on the market and the campaign is in theme of this celebration. It is the global campaign, standardized one, which is going on around the world.

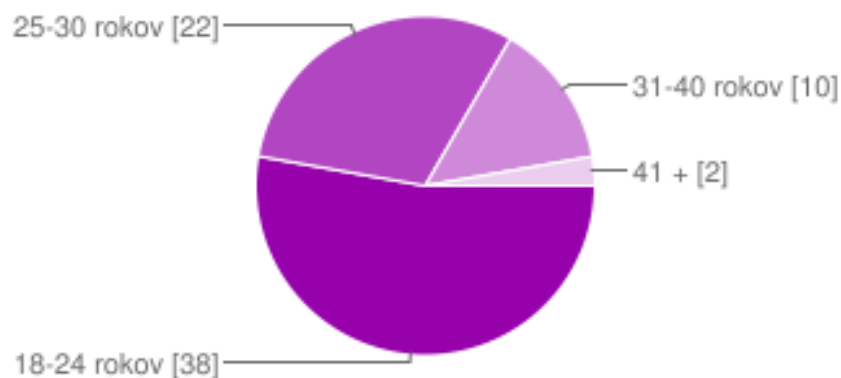
In addition to the anniversary, for Coca-Cola, 2011 is also a year of hockey. At least for Slovakia, since the world championship takes place in Bratislava and Košice, for the first time in the history. Many companies were inspired by this competition and Coca-Cola Company was not an exception. On this occasion, Coca-Cola has prepared an edition of 12 limited 0,5 liter bottles of Coca-Cola, which show the hockey stars. The series is composed of 6 bottles with portraits of Slovak players. Special edition of the Slovak labels of Coca-Cola selected players, who formed the winning team at the World Championship in Gothenburg in 2002, Miroslav Šatan, Peter Bondra, Ľuboš Bartečko, Ján Lašák, Jozef Štumpel and Ľubomír Višňovský. In addition to this limited edition with Slovak players, there is also a series of hockey accessories such as scarves with national flag, the national flag on the rear-view mirrors of cars, sticker flag on the face, mini dress with a suction cup on the window, real hockey jerseys, bandanas or mini vuvuzelas for all the fans. They can be received after a purchase of Coca-Cola products. There is also a chance every day to win two tickets to this championship with Coca-Cola. This campaign is going on also in the Czech Republic, with their national symbols and 6 Czech hockey players. The visual part of this campaign shows the celebration of the hockey players from the 2002 in Gothenburg, where they won the championship.

Figure 7. Adapted Coca-Cola bottles with Slovakian ice hockey players.



4.2.2 Research

In the research, we wanted to find out how people react on the advertisements during the championship, whether they are aware of the Coca-Cola campaign and which soft drinks they prefer the most. Therefore we created the questionnaire with following questions. In less than two days I obtained the results from 72 respondents. They were in age from eighteen to fifty years. The age diversion can be seen in the following graph.



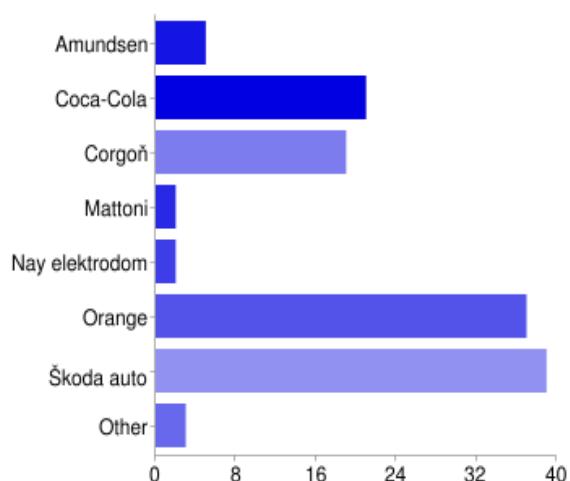
Most of the respondents were in the age from eighteen to twenty five years. Distribution by gender was almost balanced. Thirty seven of the respondents were men, and the rest, thirty five were women.

The first question we asked was about promotional partners of the World Championship in ice hockey 2011. The formulation was as follows:

Who do you consider as a promotional partner of the World Championship in ice hockey in 2011?

Amundsen	5	7%
Coca-Cola	21	29%
Corgoň	19	26%
Mattoni	2	3%
Nay elektrodom	2	3%
Orange	37	51%
Škoda auto	39	54%
Other	3	4%

People may select more than one checkbox, so percentages may add up to more than 100%.



The most frequent answer was Škoda auto, the automobile company, whose commercials and products are shown during the matches. As the second most frequent was chosen company Orange. Their advertisement can be also seen during the breaks. The Coca-Cola Company finished in the third place, which is very good position, because their commercials were not shown at all during the live broadcasts. These advertisements were going on only during the regular broadcast, especially on the commercial channels. It means, these advertisements were noticed by people and that they have most likely seen other features from this campaign, such as bottles with ice hockey players and other promotional items. On the fourth place, closely behind the Coca-Cola, is beer company Corgoň.

Their television advertisements could be also seen during the ice hockey breaks, but were not noticed as much the Coca-Cola's ones.

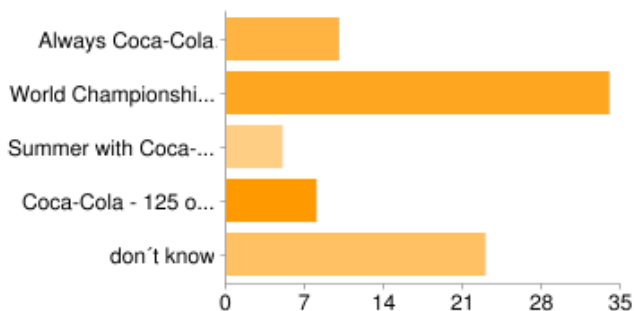
The general partners of the World Championship in Slovakia are companies Slovnaft and Orange. The main partners are Amundsen, Coca-Cola, Škoda auto, Avion, Metro and Lotto. The companies such as Corgoň and Nay elektrodom used the championship only as a theme for their campaigns.

The next question which we asked was about the Coca-Cola campaign. We were interested whether people are aware of actual campaign of the company, because there are two campaigns going on these days. Let's look at the results:

What is the actual campaign of the company Coca-Cola?

Always Coca-Cola	10	14%
World Championship in icehockey 2011	34	47%
Summer with Coca-Colo is comming	5	7%
Coca-Cola - 125 of happines	8	11%
don't know	23	32%

People may select more than one checkbox, so percentages may add up to more than 100%.



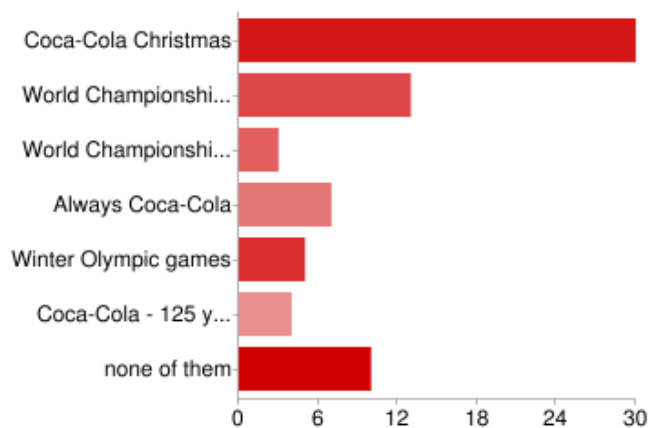
The first place belongs to the actual marketing campaign going on these days, the World Championship in ice hockey. Nearly fifty percent has chosen the right answer, which again confirms that people are aware of the Coca-Cola campaigns, because they either notice the commercials in the television, or buy Coca-Cola products, or both. People, who don't know what the actual campaign is about finished in the second place. The result could either mean that they are not interested in Coca-Cola product, or that the television advertisements didn't catch

their attention. Always Coca-Cola campaign is in the third place. It is the best known slogan of the company. It means this campaign left positive feelings in people. The fourth place is held by the campaign Coca-Cola – 125 years of happiness, which is the actual global campaign of the company. This marketing promotion might have not attracted them yet, because of the first one, which we can say, is much stronger.

Third question was again about the marketing campaign of Coca-Cola. This time we wanted to know, which one attracted respondents the most. Results are as follows:

Which marketing campaign of the company Coca-Cola attracted you the most?

Coca-Cola Christmas	30	42%
World Championship in football in JAR	13	18%
World Championship in icehockey 2011	3	4%
Always Coca-Cola	7	10%
Winter Olympic games	5	7%
Coca-Cola - 125 years of happiness	4	6%
none of them	10	14%



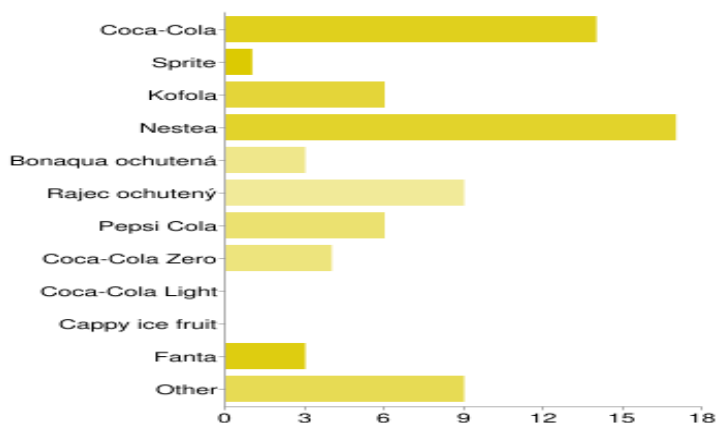
Nearly one half agreed the Coca-Cola Christmas advertisement engaged their attention the most. This is the advertisement, where the Coca-Cola trucks with Christmas lights play the song “Holidays are coming” and go through the snowing country to spread the Christmas spirit. It is one of the most beautiful commercials. It is shown during the Christmas season every year, so that could be another reason, why people picked this option. The campaign about the World

Championship in football, which was held in the JAR last year, is in the second place. Typical for this commercial was the song “Waving flag”, which was also very popular in the radios and music charts. This song might be the crucial thing, which made this commercial so popular. Another reason could be the number of the male who participated in the research. Fourteen percent of the respondents didn’t like any of the Coca-Cola advertisements, which means, they probably don’t like their products too. The Coca-Cola World Championship in ice hockey ended on the last position. Because the respondents consider the company as a one of the commercial partners, they might not like the design and version of this advertisement.

The fourth issue we were interested in was the favorite drink, which respondents buy. We have chosen following drinks:

What is your favorite soft drink which is available at the market?

Coca-Cola	14	19%
Sprite	1	1%
Kofola	6	8%
Nestea	17	24%
Bonaqua ochutená	3	4%
Rajec ochutený	9	13%
Pepsi Cola	6	8%
Coca-Cola Zero	4	6%
Coca-Cola Light	0	0%
Cappy ice fruit	0	0%
Fanta	3	4%
Other	9	13%

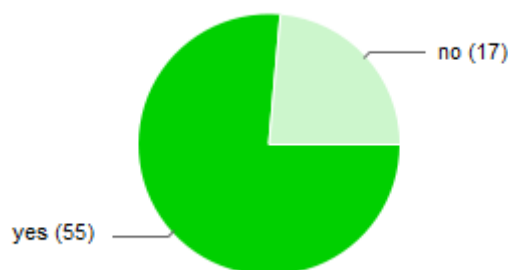


The most frequently chosen drink, almost one in four, was Nestea, and on the second place finished Coca-Cola, both products of the Coca-Cola Company. When we combine these two together, it gives the forty three percent of all the answers. When we sum up all the products from Coca-Cola Company it gives us fifty eight percent, more than a half. And the Coca-Cola classic surpassed both competitive drinks, Pepsi and Kofola. According to the information, which can be seen in the summary of the questionnaire, we can claim that the Coca-Cola products are very popular and that they are the leader at our domestic market.

The last question I wanted to know from the respondent was, whether they agree with the claim, than Coca-Cola is the world's most valuable brand. The results are:

**Do you agree with the claim,
that Coca-Cola is the world's
most valuable brand?**

yes	55	76%
no	17	24%



The majority of respondents had chosen the yes option. Nearly eighty percent consider Coca-Cola as the most valuable brand, it means, they are aware about the popularity of the brand not only in our country, but also worldwide. The rest don't agree with this claim.

The sum up the research, Coca-Cola ended very well in all the questions. People presume the brand Coca-Cola is a strong brand; they buy their products and notice their marketing campaigns. With no doubts, Coca-Cola is the leader of domestic market.

5. Conclusion and recommendations

The satisfaction of the customer's wants and needs is the main goal of every company. In today's world selling the product is more difficult than making the product. When company wants to be successful, they have to adapt their product to satisfy the customer. For the global brand, such as Coca-Cola, this is even harder, because they are operating worldwide. Therefore the standardized product has to be adapted to the local conditions.

In this work we wanted to describe the main product and marketing features which the company uses in the process of adaptation. The communication between headquarters and subsidiaries around the world is crucial part of the process. They create the Coca-Cola system, which is in many aspects standardized, but in some has to be localized. There are huge differences between countries, which are caused mainly because of culture. Therefore the company has to adapt product features such as flavors, logos, language and also marketing campaigns to the local needs.

Very positive factor for the company is a strong brand name. It is also the world's most valuable brand. These two facts confirm that the brand is very well known by people and that they buy their products. To maintain and strengthen the position at the market, company should attract the young generation of customers. This is necessary especially in these times, when the world economic crises are going on and majority of countries are trying to persuade its citizens to buy domestic products. The government's campaign "drink water, water is good" or "drink milk" might decrease consumption of other beverages, such as Coca-Cola products. Therefore the company should persuade people to buy their products. In the process of product adaptation, they could make some innovative product, for example from milk.

To strengthen their position at the market, they have to continuously adapt the local campaigns. The fact, they are one of the main partners of the World

Championship in ice hockey increases their position at the domestic market. Slovak people are interested in the ice hockey, especially when the championship is held in their capital city. Selling products with the personalities of Slovak ice hockey creates in people positive inclination to the Coca-Cola brand. The same campaign is going on in the Czech Republic, with their national personalities of ice hockey. The company is aware of the fact that the mixture of the Slovak and Czech hockey players would not leave positive feelings in people's minds. Both countries are very proud on their national players and in the championship the teams are antagonists. Therefore the company adapted the local campaign to the regional conditions. They understood the needs and wants of countries and that the common campaign would not be successful.

The survey we made confirmed the strong position of the brand at domestic market. To maintain this position, company should continue in strengthening the awareness of the brand in people's minds and bringing them their favorite sporting and cultural events. The sustainable product and marketing adaptation is the main part which leads the company to the long-lasting success at the domestic market.

6. Resumé

Bakalárska práca prináša informácie o štandardizovaných a lokalizovaných stratégiách, ktoré využíva vybraný subjekt v rámci medzinárodného obchodu. Úvodná časť práce patrí teoretickým pojmom, ktoré sa zaoberajú danou problematikou.

Súčasnosť je charakterizovaná procesom internacionalizácie a globalizácie. Národné trhy ustupujú v ceste svetovému trhu. Spoločnosti chcú ovládnuť čo najviac trhov. Internacionalizácia so sebou prináša veľa pozitív ako je rast predaja, získavanie zdrojov a minimalizácia riziku. Vykonávanie medzinárodných operácií závisí na cieľoch spoločnosti a na prostriedkoch, ktorými ich vykonávajú. Operácie sú ovplyvňované fyzickými a spoločenskými faktormi a tiež konkurenčným prostredím. Globálna konkurencia poukazuje dôraz na niektoré základné princípy podnikania. Zameriava sa na dôležitosť kvality, konkurenčné ceny a inovatívne produkty.

Medzinárodný marketing sa stal pre spoločnosť dôležitý z troch hlavných dôvodov: zahraničné trhy predstavujú rastúci podiel na celosvetovom trhu, zahraničná konkurencia zvyšuje svoj vzájomný podiel na trhu a zahraničné trhy sú dôležitým zdrojom nízko-nákladových produktov, technológií a kapitálu.

Globálne marketingové stratégie sa usilujú o dosiahnutie sloganu “mysli globálne, konaj lokálne”, a to prostredníctvom dynamickej vzájomnej závislosti medzi ústredím a pobočkami. Organizácie, ktoré využívajú takúto stratégiu, koordinujú svoje úsilie, zabezpečujú miestnu flexibilitu pri využívaní prínosov z globálnej integrácie a tiež zabezpečujú celosvetové šírenie inovácií.

Štandardizácia produktov vedie k zlepšeniu ekonomiky a úsporám. Ako spoločnosti získajú viac skúsenosti na medzinárodnom trhu, ich stratégie sa štandardizujú, kde je to možné a adaptujú, kde je to nevyhnutné.

Všetky výrobky musia zodpovedať prevládajúcim podmienkam životného prostredia, nad ktorými nemá obchodník žiadnu kontrolu. Tie sa týkajú právnych, ekonomických a klimatických podmienok na trhu. Ďalšie adaptácie sú vytvorené na posilnenie konkurencieschopnosti vývozcu na trhu. Vývozca sa potrebuje dozvedieť viac podrobností o miestnom trhu. To mu umožní vytvoriť stratégiu s vhodným rozsahom štandardizácie a adaptácie.

Ďalej sa práca venuje vybranej spoločnosti Coca-Cola. Coca-Cola Company je najväčší výrobca nápojov. Táto spoločnosť vyrába spotrebiteľom viac než päťsto perlivých a neperlivých značiek. Na čele s Coca-Colou, svetovo najcennejšou značkou, portfólio spoločnosti predstavuje 14 miliárd dolárov, vrátane značiek Sprite, Fanta, Coca-Cola Zero, Powerade a mnoho ďalších. Globálne sú číslo jedna poskytovateľom šumivých nápojov, džúsov a tiež čaju a kávy. Ich spotrebiteľia sa nachádzajú vo viac než dvoch stovkách krajín a konzumujú ich nápoje vo výške 1,7 miliardy porcií denne, a to prostredníctvom najväčšieho svetového systému distribúcie nápojov.

Aj napriek tomu, že Coca-Cola je štandardizovaný produkt, spoločnosť je povinná adaptovať rôzne prístupy ku globálnemu trhu. Coca-Cola síce môže získať použitím štandardizovanej stratégie, ale rozhodnutie spojiť globálne a lokálne zdroje je dlhotrvámejšie na trhoch, kde pre domáceho zákazníka lokálne rozdiely hrajú dôležitú úlohu.

V tejto časti je priblížená história spoločnosti, teritoriálna expanzia, podiel na svetovom trhu, produktová politika, konkurenčné produkty na domácom a svetovom trhu a systém spoločnosti. Ďalej je spomenutá spoločnosť Coca-Cola Slovakia a jej štandardizácia a adaptácia produktov na miestny trh. Záver patrí výskumu, ktorý sa zaoberá marketingovými kampaňami a produktmi spoločnosti Coca-Cola.

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8. Appendices

Appendix 1. Coca-Cola products in Slovakia.



Source: Coca-Cola Slovakia (2011)