

A CRITICAL STUDY ON THINK GLOBALLY, ACT LOCALLY WITH REFERENCE OF “ATMANIRBHAR BHARAT”

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Abstract: Because of globalization and other reasons like technology progress and the rising relevance of the internet, business practices have undergone profound and lasting transformation. With the correct price plan, unique product or service, and extensive advertising, any firm in the contemporary day may become a worldwide powerhouse, engaging hundreds of thousands of individuals and producing tens of billions of pounds in sales each year.

This paper describes why "Think Globally, Act Locally" may not always apply, and why global firms must adapt to local conditions. After explaining the significance of this approach "Think Globally, Act Locally," the study analyses the ways in which some prominent multinational firms have put this adage into practice. Research and practice in the field of international business are then used to provide a comprehensive explanation of the difficulties faced by MNCs when trying to adapt to local markets.

The study concludes with recommendations for multinational firms already present in several markets and local merchants with global growth ambitions to effectively operate across borders and continents through to their local markets, successfully wooing local clientele.

Keyword: Globalisation, Think Globally act locally, Multinational, Corporation, atmanirbhar bharat, globally, local.

1.0 Introduction:

The provided passages delve into the profound significance of the "Think Globally, Act Locally" approach in the contemporary landscape of globalization. Highlighting the drivers behind the accelerating forces of global interconnectedness, the text underscores the pivotal role played by international commerce and technological advancements, particularly the internet, in breaking down traditional geographical barriers. The overarching theme revolves around the idea that while globalization has been a historical continuum, its recent decades have witnessed a dramatic surge, with the causes addressed in the text reaching full fruition during this period.

Central to this globalizing paradigm is the expansion of multinational corporations and their strategic utilization of the "Think Globally, Act Locally" model. The passages elucidate how businesses, especially large-scale enterprises, leverage this approach to harness the advantages of global competitiveness. The seamless integration of national economies into global systems of production and trade is emphasized, with a recognition that modern society views globalization as a defining notion. Key distinctions between local and international competition are explored, showcasing the multifaceted landscape that businesses navigate in pursuit of economic efficiency and market expansion.

2.0 The Significance of This Approach

Briefly outlining the primary drivers of globalisation can help readers better understand the article's focus. Though globalization's driving forces have been building for centuries, the past few decades have seen a dramatic acceleration, and the causes of globalisation addressed here may only be said to have been fully realised in that time. One of the primary forces behind globalisation is the expansion of international commerce, which is facilitated by the harmonisation of prices and interest rates across various nations (Borghoff, 2005). The internet in particular, but also other forms of information technology, has played a role in this phenomenon by lowering the importance of geographical barriers and so facilitating business and other forms of international cooperation between nations.

Companies, and especially large multinational firms, reap the benefits of globalisation by exporting their goods and services. "Globalisation stands out for a worldwide audience as one of the defining notions of modern society" (Scholte, 2000, p.1).

"National economies, with few exceptions, are today considerably more deeply intertwined in global systems of production and trade than in prior historical periods," which has boosted global competitiveness (Held and McGrew, 2003, p.24).

There are a number of key distinctions between local and international competition. Different markets have different levels of competition due to their unique local features, which may have positive and negative effects on businesses who enter them.

Advantages like as cheap local resources, a strategic location, and other benefits are readily available in rising markets. "Businesses that previously had to generate tens or hundreds of thousands of standardised items in a single facility to obtain minimum efficient size" may now spread production across smaller national units at no additional expense. In this way, they may preserve economic efficiency while catering to the needs of specific communities and varying tastes among consumers (Bartlett and Ghoshal, 2002, p.11). On the other hand, there are a number of significant challenges, like as differences in local culture that influence the preferences, actions, and valuations of products and services amongst prospective customers.

If a company seeks to succeed in an international market, it has to acquire the skills necessary to properly traverse these intricacies. Some multi-national corporations follow a business model defined as "Think Globally, Act Locally," in which they formulate their company vision, long-term aims and goals, and an effective strategy for achieving these aims and objectives from a global perspective, but then make adjustments in each market to account for the society and specifics of that particular market.

Establishing a global vision for a business is crucial because it facilitates the most effective means of achieving the company's primary objective—profit maximization—through aggressive market expansions across countries and continents. The political system, religion of people, culture, level of living, etc., of other markets all have an impact on consumer behaviour, customer expectations, and other relevant things, but this does not mean that any multinational corporation's plan to reach its worldwide vision must be inflexible.

Local variations may lead to consumer misunderstandings, even inconsistencies or anger, and eventually the company's collapse in that market if a global organisation attempts to apply the same strategy to all regions, even if the approach was the source of its advantage in other areas.

Many major and medium-sized companies are embracing the "Think Globally, Act Locally" strategy to plan for aggressive development into new markets while still addressing customer requirements in existing regions.

3.0 Real Life Example

Numerous multinational corporations throughout the globe have adopted the "Think Globally, Act Locally" concept and seen varying degrees of success as a result. While some businesses, like Aldi, discovered the strategy's worth the hard way, others took a more proactive stance in adopting the "Think Globally, Act Locally" philosophy.

The German-based worldwide heavy discount retailer Aldi was able to establish an advantage in the market by offering a small selection of inexpensive goods, which they were able to sell for less by cutting down on marketing and using inferior store fixtures and furnishings. After an early slump in sales, the approach had to be revised in the UK and Switzerland, where consumers placed a higher value on product quality, store presentation, and promotional efforts than they did in other countries (Griffin and Pustay, 2005).

Tesco, a UK-based global retailer, is another good example of putting the "Think Globally, Act Locally" policy to good use. While "Every Little Helps" is Tesco's motto worldwide, the company tailors its offerings to the demographics of each neighbourhood it serves. For instance, if there is a large Muslim population in the area, Tesco will stock a wider selection of "halal meat," and if there is a large population of people of a certain ethnicity, Tesco will stock more "ethnic food" options.

Companies in the service industry have also achieved success by adopting the "Think Globally, Act Locally" philosophy. McDonald's is a fantastic case in point since it has taken the "Think Globally, Act Locally" philosophy and run with it to its logical conclusion. McDonald's offers the convenience of low-priced, high-quality meals that can be eaten quickly and conveniently in any part of the globe, yet individual locations still reflect regional preferences in their menu offerings. McDonald's serves a wide variety of burgers and meals, each with localised twists, in various countries across the globe. Burgers from across the world may be found in Adam's (2007), including the Maharaja Mac in India, the McLOBster in Canada, the shrimp burger in Japan, the McLaks (fish) burger in Japan, the avocado burger in Chile, and many more.

Starbucks, a global coffee chain with stores all over the globe, has chosen a unique approach to localising its stores. The company has opted to base its coffee shops on key aspects of local culture rather than adjusting its menu to reflect those cultures. As a result, a Starbucks in one country may look quite different from a Starbucks in another, but the coffee in both will taste the same, as is the company's worldwide promise.

Despite appearances to the contrary, several international technology corporations do take into account regional nuances and tailor their products appropriately. For several Arab countries, where environmental factors contribute to high levels of dust, manufacturers like Nokia have developed handsets with dust-resistant keypads. There are also mobile phones with built-in flash designed specifically for truck drivers in rural India, as well as anti-slip grip phones for customers in cold and damp areas.

The aforementioned cases are typical demonstrations of substantial investments made by firms to accommodate regional specifics. In some cases, though, adaptations are done only in marketing communications to address regional specifics. Exposing human flesh and other parts of the body related to sex appeal is considered one of the most successful advertising methods in Western countries, for example. However, owing to cultural differences, such advertisements may be seen as offensive in certain Eastern countries, leading to negative associations with the advertised goods or service.

4.0 Localization Challenges

Taking a "Think Globally, Act Locally" approach may help a firm succeed in the long run, no matter where its operations are located. However, a number of concerns must be resolved before it can be used in practise. Cultural misunderstanding, inefficient management, and shifting expectations are the three main obstacles that organisations face when trying to accommodate regional differences.

Cultural misunderstandings are a major reason why some firms fail in foreign markets. Managers make costly blunders when they miscommunicate or act based on cultural biases.," the author writes (Grosse, 2000, p.325). It's possible that upper management understands that success necessitates adjusting to regional norms and preferences. When the company's home culture and the host country's culture are fundamentally different, all efforts at adaptation may be counter-productive unless the culture of the other market is thoroughly taught and understood.

Attempts at international expansion, like any other aspect of a company, are vulnerable to problems including inept management. More specifically, the company's upper echelons could have a foolproof strategy for breaking into a foreign market, one that accounts for cultural differences as well as other market aspects. If the strategy to expand internationally isn't handled by personnel with the necessary expertise, it might fail.

Managers may perform better in their native countries, which are often the same as the organization's headquarters. This might lead to their being promoted and given responsibility for new sectors of the company's global operations. The manager's performance in a foreign country may be adversely impacted by a number of factors, including but not limited to the aforementioned issues related to the cultural components of the problem, challenges with adjustment, family issues, health concerns due to weather, and so on. All of these factors increase the likelihood of ineffective management, which in turn reduces the effectiveness with which the organisation adapts to local conditions.

Meeting ever-evolving client demands is challenging in and of itself, but doing so in a global context presents a whole new set of challenges (Homann et al, 2007). Increasing levels of competition across many industries have led to a shift in consumer preferences and a corresponding rise in consumer expectations. Customers' shifting preferences might be based on either their actual or imagined demands. Multinational corporations can more easily anticipate and respond to shifting consumer demands in their home countries than in overseas markets. Even if a multinational organisation adopts and executes a "Think Globally, Act Locally" strategy in each foreign market in which it operates, its management may fail to identify altering client demands owing to unfamiliarity with local culture, undercutting its attempts to adapt.

5.0 Recommendations

Executives at corporations of all sizes might benefit from targeted guidance on how to eliminate or reduce the aforementioned challenges to implementing the "Think Globally, Act Locally" tenet. Enhancing the workforce's cross-cultural understanding, giving priority to local employees in management appointments, and adopting a proactive approach to moulding customer expectations and preferences are all strategies that may help achieve this goal.

Organizing training and development programmes aimed at raising the workforce's level of cross-cultural knowledge may be the most effective way to remove the biggest obstacle to the successful implementation of the concept "Think Globally, Act Locally." Programs of this kind must be well-organized, and all employees involved in international operations should take part in them.

Appointing individuals with local knowledge to positions of authority in international marketplaces may help businesses put the "Think Globally, Act Locally" idea into practise. A deep understanding of the local market's quirks and peculiarities is only one of the many benefits that would accrue from such a strategy.

A firm should be careful not to over-implement this tip by hiring so many people from the local area that the company's key skills and the value it provides to clients are put at risk by the employees' lack of experience and training.

Proactively rather than reactively identifying real and perceived client desires and preferences may be an effective solution to the challenge of fluctuating consumer demands. It's not easy, but if it's done well, it might help the company become an industry leader on a worldwide scale. Today, most businesses make an effort to learn what their customers need and then tailor their offerings accordingly. In contrast, the goods and services offered by certain companies are in high demand because they establish the trends that other businesses eventually follow.

Before Apple Inc., a multinational technology corporation headquartered in the United States, released the iPhone, smart phones were mostly used by those in the corporate world, the technologically savvy, and people with demanding schedules. However, the introduction of the iPhone created a "demand" for millions of people to have mobile phone internet access and, ideally, a wide range of sophisticated applications. Apple created a "need" in its future and present consumers internationally, so it doesn't have to worry about changing customer demands in each area. Samsung tried to fill this "need" with the Samsung Galaxy.

6.0 Conclusion

There are now many companies, both large and small, all around the globe that are enjoying the advantages of globalisation. The amount to which businesses are able to adjust to regional quirks, for example, may have a significant impact on how well such advantages are used. According to the "Think Globally, Act Locally" concept, a firm may best thrive internationally by having a global perspective and aims while adapting to local peculiarities. Aldi, Tesco, McDonald's, and many more have achieved worldwide success with this method.

The "Think Globally, Act Locally" model has certain challenges for businesses. Misunderstandings between cultures, inexperienced management's engagement, and fluctuating international customer expectations are the primary obstacles. Several solutions are proposed for overcoming these challenges, including implementing cross-cultural awareness training for employees involved in international operations, staffing up (especially at the managerial level) to learn the ins and outs of the local market, and being flexible enough to adapt to customers' ever-evolving wants and needs.

This Study can only offer a superficial summary of the issue due to the overall word limit restrictions of the assignment. To this end, we assess the "Think Globally, Act Locally" approach without considering the myriad of contextual elements that could be at play. Therefore, before implementing the recommendations in this article, each organisation should do a variety of additional assessments, such as those of internal and external variables impacting the company, its financial status, and its important abilities.

7.0 References

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