



# The basis of business internationalization—Adaptation

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**Abstract.** Based on the core elements of international market development and sales management theory, this paper expounds the core elements and basic logic of international marketing theory. Through the empirical analysis and comparative analysis of KFC and McDonald's, two American fast food companies in the Chinese market, to demonstrate the importance of commercial marketing localization, it shows that commercial localization is the basis for enterprises to go international and become global influential companies. At the same time, this paper will also give constructive suggestions according to the development stage, the development goals and the final development prospects of the enterprise.

**Keywords:** core elements, fit, influence, foundation

## 1 Introduction

Marketing is a process of exchanging things with clients, including create, capture, communicate, deliver, and exchange products. It is an essential business behavior in the business society, which can help enterprises to pass on their products to consumers in the most effective way. This paper will first explain the basic logic and core elements of marketing to the readers, so that the readers can have a relatively clear understanding of marketing, and then explain the marketing management strategy.

The current world economic environment has entered the stage of low growth and high competition. The framework of global division of labor divides developed countries and developing countries into different positions in the industrial chain. Meanwhile, as more and more multinational enterprises operate around the world, the industry competition is becoming more and more fierce. In particular, with the gradual economic development of developing countries, after the accumulation of certain funds and technology, localized enterprises will gradually cultivate and strengthen the domestic participation in the competition of high value-added industries, which further weakens the advantages of multinational enterprises and strengthens the competitive pressure of global multinational enterprises.

For such an objective scenario. Marketing strategy, as the forefront of the product market, directly pushes products and services to customers in need, which requires purchasing in the new environment, and multinational companies need to adjust their marketing strategies or find the core of marketing.

## 2 The Optimal Marketing Strategy- -Adaptation

There are two main marketing goals: 1. Attract new customers by promising exceptional value. 2. Maintain and grow existing customers by providing satisfaction. From another perspective, Adaptation is the localization of products and services, which will take into account the objective factors of the enterprise's customer group, such as local cultural customs, consumption habits, consumption ability, consumer group age and consumer demand, and so on. Especially for multinational enterprises, because of the lack of understanding of local cultural customs and consumer habits, they will be affected by the reverse cultural impact, and usually will receive various setbacks in the process of business layout. This requires multinational enterprises to do a good job of preliminary investigation or reach a partnership with local enterprises in this process, which will help to the localization of products and services, and strengthen the stickiness between products, services and consumers.

### 2.1 Composition of marketing and consumer needs

#### 2.1.1 Components of marketing.

The basic composition of marketing is mainly divided into four parts: 1. Market analysis (macro and micro environmental factor analysis; consumer behavior analysis; competition status analysis). 2. Market research. 3. Target marketing strategy (market segmentation, target market selection, market positioning). 4. Marketing strategy (product, pricing, analysis, promotion and its combination) [1].

Market analysis requires enterprises to enter a product market, they should analyze the initial scientific and rigorous situation of the market, generally focusing on the macro environmental factors of the market, for example, whether the economic development of the region is growing or declining. The micro factor analysis shows that the income situation of a single consumer shows that different products face different consumer groups. Before entering the market, they should understand the income situation or consumer power of the product group.

Market research refers to obtaining the consumer evaluation and market demand for all aspects of the product or service through various ways, and it is also the objective verification of the early market analysis [2]

Target marketing strategy is to require enterprises to make a clear business planning in terms of market selection and market positioning after the full understanding of the first two items.

Marketing strategy refers to make a more scientific marketing analysis, research and market positioning, according to the actual situation to make a better marketing strategy, the purpose is to occupy the market of similar products and services, in order to achieve the goal of maximizing corporate profits.

#### 2.1.2 Consumer needs.

The ultimate goal of marketing is to meet the consumer needs of consumers. Then the basic core element of marketing is consumer demand. In the process of meeting

consumer needs, multinational enterprises need to have an objective understanding of consumers' consumption culture, consumption habits and consumption ability, and dynamically change the local sales situation of their products and services according to these conditions [3].

Needs, States of felt deprivation: 1. Material needs—food, clothing, homes and supplies, etc. 2. Social needs—Emotion and a sense of belonging to the living environment. 3. Individual needs—Thought, learning, and expression.

Wants, it is made out of personal characteristics and cultural connotations.

Demands, Human needs, supported by purchasing power.

In this process, the customer forms expectations for the value and satisfaction of the market product. There will be two situations: 1. Satisfied customers will buy again. 2. Dissatisfied customers will turn to their competitors. Consumers will also form different expectations in the process, which is very important for enterprises. Low expectations may not attract buyers. Higher expectations could disappoint buyers. Then enterprises need to make the correct market positioning of products and services, and to respond to consumers' consumption habits and consumer needs.

## 2.2 Empirical analysis

KFC and McDonald's are two globally famous fast-food companies. The strategic similarities between the two companies in the global market are using fast food fashion to quickly enter emerging markets and take a quantitative approach to food production and supply. For example, each burger needs a few pieces of cheese and cucumber, etc., of course, different burgers will have their own quantity standard [4].

However, the two companies have adopted different marketing strategies in the Chinese market. KFC focuses on localization, and its products are optimized according to local consumers' eating habits and food culture. And McDonald's is to maintain its original product plan, basically no localization products or localization degree is insignificant compared to KFC.

### 2.2.1 KFC's operation situation in China.

In 1999, according to the world-famous AC Nielsen Research Company survey of 16,677 questionnaires in 30 cities in China, KFC is the first fast food to enter China, and it is loved by Chinese consumers because of its unique food and quality control. KFC occupies a high position among the top ten famous international famous brands in China. After the 21st century, KFC has grown in scale due to its continuously improved management system and growing team. In 2000, KFC became the first Chinese chain company to have more than 400 companies. It was increased to 500 annually in 2001, 600 in 2002, and 800 after 11 months. So far, KFC has more than 1,400 restaurants in China. KFC has maintained a good economic performance, with a turnover of 7.1 billion yuan in 2002. In the past so many years, KFC has made a lot of improvements based on the local China, forming a high-quality team and a perfect management system. At the same time, it has also become the largest and most profitable brand in China's catering industry, which plays a significant role in the development of the entire

catering industry. In 2011, The China Business Division of Yum Brands Group, the parent company of KFC, cooperated with the Sinopec National Gas Station, and its KFC, Pizza Hut, Oriental White Restaurant and other catering brands will fully enter the Sinopec National Gas Station. It also signed a strategic cooperation agreement with Sinopec to open a face-off restaurant under its gas station [5].

The most important thing why KFC can achieve so many achievements in China is KFC's dynamic marketing strategy, which largely promotes the localization of KFC's services and increases the stickiness and loyalty with its customers.

### **2.2.2 McDonald's operations in China.**

McDonald's entered the Chinese market in 1990, with the first place to open a McDonald's restaurant being in Shenzhen, Guangdong Province. McDonald's purpose is to provide safe and delicious high-quality food to every Chinese customer. So far, China has become McDonald's second largest market and the fastest growing market. As of 2020, McDonald's has 3,500 restaurants in China, serving a total of 1 billion people, and employing more than 180,000 people a year.

Although McDonald's has made great achievements in China and is determined in its marketing strategy, it is still at a disadvantage compared to KFC's market share. McDonald's China has now sold its management rights to Chinese companies and changed its name.

KFC and McDonald's are two fast food companies in the United States, because of different marketing strategy, the two companies in China business situation is very different, and the biggest difference is the different product localization strategy, of course, there are other factors, for example, KFC into the Chinese market earlier than McDonald's, KFC pays more attention to the implementation of rapid market share strategy. But localization is an important core factor that cannot be ignored. This has some reference significance for the marketing strategy of global multinational enterprises [6].

## **3 Conclusions and suggestions**

### **3.1 Conclusions**

In the process of global development, global multinational enterprises will inevitably encounter a variety of consumption habits, cultural customs and different consumption power. How to improve the market share of enterprise products and services in such a situation is related to the subsequent development of enterprises in different markets. Effective and active localization strategy is the inevitable core element to solve this problem. Localization strategy is not just a simple improved product improvement, but also an indirect internal interaction with consumers, which can strengthen the trust, viscosity and loyalty between enterprises and consumers.

## 3.2 Suggestions

### 3.2.1 Design a customer value-driven marketing strategy.

Customer Value-Driven Marketing Strategy — Once a company fully understands its consumers and markets, it has to decide which customers it will serve, and how it will bring value to them." Marketing Management: Choose target markets and build profitable relationships Design a successful marketing strategy -Target market? The value proposition of the? Choosing a customer service market segment means dividing the market into customer segments. Target marketing refers to which market segments to pursue. To some extent, this is a consumer demand-oriented localization strategy to pursue customer value and release the potential of consumers [7].

### 3.2.2 Choose a value proposition.

The company must decide how it distinguishes itself and positions itself in the market. Marketing management oriented production concept: mass production, efficiency, distribution product concept: Quality, performance, innovative characteristics Sales concept: promotion efforts Large-scale sales marketing concept: to meet the demand needs demand social marketing concept: sustainable social welfare ethics. The precise market positioning of enterprise products and services helps enterprises to make an accurate strategic layout according to the objective situation.

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