

# Explorative and Exploitative Localization of Marketing Strategies in an Emerging Market: A Comparative Study of Orion and Crown in China

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## 〈Abstract〉

This paper compares how Orion and Crown localized their marketing strategies in China. It is quite intriguing that these two firms achieved totally different results despite being in the same industry, entering China at a similar stage of development, and starting under similar initial conditions. By integrating the concepts of exploration and exploitation from learning theory into four-P marketing strategies(product, price, promotion, and place), this paper compares the localization of marketing strategies that Orion and Crown utilized in the Chinese market. We can get a better understanding of their diametrically opposed results by considering the explorative and exploitative localizations of marketing strategies during their expansion in overseas markets. Orion achieved a market success by utilizing a series of explorative marketing strategies, which are neither standardized nor an extension of existing strategies in their home market. In contrast, Crown utilized a series of exploitative marketing strategies, which are the same as or a refinement of marketing strategies used in their home market of Korea.

\*Keywords: Multinational Enterprise(MNE), Explorative Localization of Marketing Strategies, Exploitative Localization of Marketing Strategies

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## I . Introduction

Over three decades of operation in China, Korean enterprises have seized huge opportunities of market change(e.g. China’s reform, opening-up, high GDP growth, and advances in consumption). As shown by data from the Export-Import Bank of Korea, from 1988 through 2018, Korean direct investment in China was 59,153 items, with a total investment of USD 64.9 billion, accounting for 30.4% of the total overseas investment of Korea during the same period(Export-Import Bank of Korea 2019). Korean enterprises investing in China have different outcomes: some, such as Samsung, HYUNDAI, and LG, occupy the market successfully; others fail and exit the Chinese market.

In this study, we consider two Korean firms: Orion and Crown, which are in the same industry and entered Chinese market just before China joined the WTO; however, the results are totally different. Taking Orion and Crown as a case study, Orion has far higher sales in China than in their home market and succeeded in expanding internationally to other emerging countries such as Vietnam(ChosunBiz 2020/07/15); however, Crown exited the Chinese market after operating there for a decade and hasn’t made any other large-scale international investments until now(Business Post 2020/03/09). This study aims to explain the reasons for the different results from the market expansions in China, similarities in time, industry, and home and host countries notwithstanding. By analyzing these cases, the authors of this study will answer this research question: What are the main factors affecting the expansion of Korean enterprises in the Chinese market?

Marketing strategy scholars apply “localization of marketing strategies” to answer the above questions(An & Bak 2006; Bang & Lee 2006; Cheung et al. 2008; Lowe et al. 1998; Mooij & Hofstede 2011; Paik et al. 2002;

Sung 2007; Yang & Hayakawa 2015). Bartlett & Ghoshal(1987) define the concept of localization as a subsidiary's ability to innovate locally, which depends on a combination of the local subsidiary's technology and management resources with the local environment to develop and adopt new products, processes, or management systems. According to Jarillo & Martinez(1990), the degree of operation-activity localization refers to the degree of coordination and integration that a multinational enterprise(MNE) makes for identical activity in subsidiaries in different countries, that is, a subsidiary's adjustment for the local operation environment. Sugiura(1990) summarizes a MNE's localization strategy by pointing to four aspects: the localization of product, profit, production and management.

Even though the significance of localization strategies has been emphasized in the literature, it is still challenging for a foreign-owned enterprise to localize marketing strategies after entering an emerging market. The state of the environment directly affects the degree of uncertainty experienced when making decisions(Achrol & Stern 1988; Schwens et al. 2018). It is argued that an organization's learning capability is important for them to adapt to an uncertain and turbulent environment, including a remote marketing environment(Fiol & Lyles 1985; Johanson & Vahlne 1977). For a multinational corporation, exploration and exploitation, which serve as the two adaptive mechanisms that can be used to respond to environmental change, are regarded as two of the most appropriate strategies for enterprises to obtain adaptive and sustainable competitive advantages. For example, in the face of environmental change, different combinations of organizational structure and decision-making can be used to select which exploration methods(centralized or decentralized) to deal with(Siggelkow & Levinthal 2003). It is not even necessary to generate new knowledge, and in some cases, the appropriate response to environmental change will focus on the use of existing knowledge and

opportunities(Posen & Levinthal 2012). This means that adaptive learning is not different from the pursuit of a mobile goal, which requires a recursive yet continuous balance between exploration and exploitation(Luo 2020). Therefore, by combining the exploration and exploitation mechanisms from organization learning theory(March 1991) and the four-P marketing strategies(strategies of product, price, place, and promotion are referred to as four-P strategies; McCarthy & Perreault 1960), this paper divides the implementation of localization strategies into two categories: explorative and exploitative localization of marketing strategies. Applying the above two categories, this study contributes to the literature regarding the implementation of localization strategies, and analyzes possible reasons for Orion's success and Crown's failure in international expansion. This paper is expected to enrich the existing theory of localization and provide practical implications for Korean MNEs' global expansion.

## II. Background

### 1. Marketing Background

There are meaningful differences in China's food industry before and after China joined the WTO. They can be divided into three stages: In the first stage, before China's entry into the WTO(i.e., before 2001), the extent of fine processing in China's food industry was low, and the demand of consumers was relatively narrow. The second stage consists of the 10 years following China's admission to the WTO(2001-2011). According to the research report on China's leisure food industry and consumption trends in 2020 issued by the China National Food Industry Association(2020), the size of China's food industry has increased by nearly 20% every year since 2001, and consumers' acceptance of new

tastes has likewise increased. Local brands are gradually surfacing, but the low degree of industrialization and food safety problems are prominent. Further, fierce competition in the food industry has formed. The third stage emerged in 2012 with the development of China's internet industry. Consumption patterns have continuously expanded, and the sales channels of imported food have been broadened. Consumers' demand for various types of snacks, including imported snacks, has become more and more diversified. Orion and Crown entered the Chinese market during the second stage of development in China's food industry. They thereby experienced the stage of increasing consumer demand, diversification, and market competition.

## 2. Enterprise Introduction

We compare the history of Orion and Crown and their development in China by following the two enterprises' histories of development in Figures 1 and 2.

Fig 1. Orion's History of Development(Orion's official website 2020)

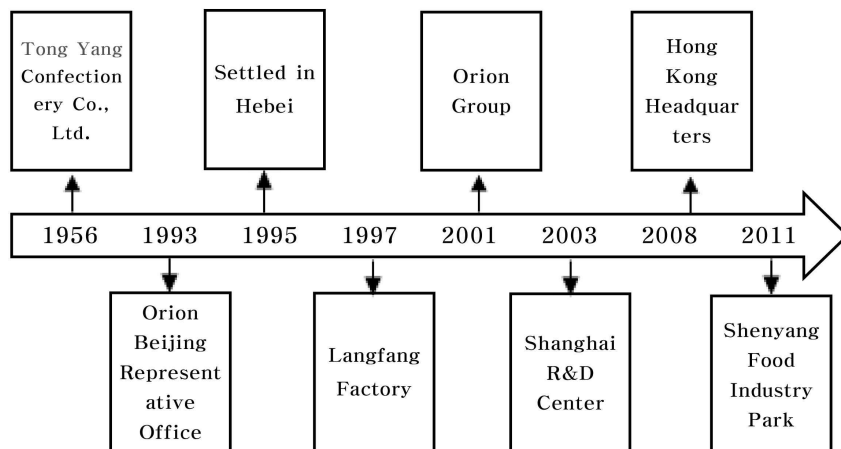
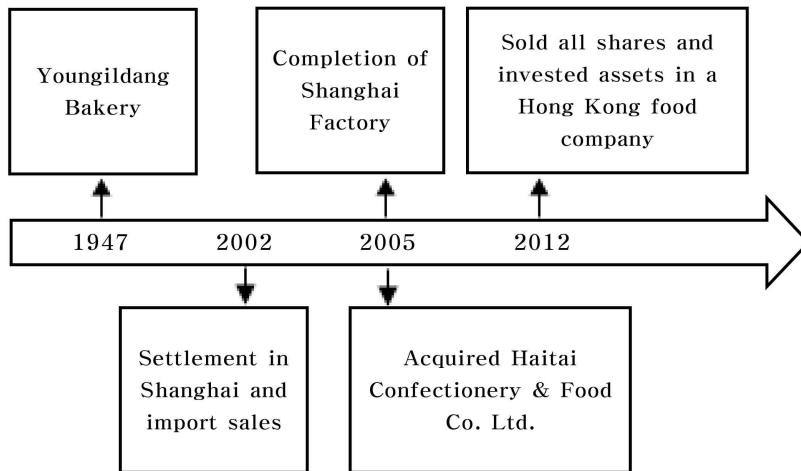


Fig 2. Crown's History of Development(Crown's official website 2020)



### 1) Establishment and Development

Orion Group's parent company is Orion Corporation. Established in 1956, Orion Corporation is one of the three major confectionery enterprises in Korea, and was formerly known as Tong Yang Confectionery Co., Ltd. As a family enterprise founded 60 years ago, Crown Confectionery Co., Ltd. was developed from the Crown Candy Company, which was founded after Yoon Tae-Hyun set up a bakery named Youngildang.

In 1993, Tong Yang Confectionery Co., Ltd. became one of the first Korean enterprises to explore the Chinese market after establishing a representative office in Beijing. Around that time, it also established offices in Tokyo, Moscow, Ho Chi Minh, and so on. In 1995, Orion settled in Hebei. In 1997, it completed its Hebei Langfang Plant and put it into production to supply products for the market in North China. The year 1967 saw the opening of the Mookdong Factory, and soon after, in 1968, the business became a corporation named Crown Confectionery Co., Ltd. It went on to expand considerably as one of the main confectionery manufacturers in Korea. In 1987, the Asan Factory was completed. It

specialized in snacks, which remarkably improved the production capacity and enabled the company to launch more of its successful new products. In 1988, the Bakery Division of Crown Confectionery became an independent corporate entity.

## 2) International Expansion

In September 2001, 16 companies specializing in businesses such as food, F & B, entertainment, and sports separated from Tong Yang Group. The Orion Group spun off from Tong Yang Group and included the construction of the Orion Food(Shanghai) Co., Ltd.(OFS) factory in Shanghai(2002). In 2003, the Orion R&D Center was established in Shanghai. In 2004, OFL(Orion Frito-Lay) acquired Pepsi's shares and was renamed to Orion Snack International Co., Ltd. In 2006, it established factories respectively in Beijing, China(Orion Snack Co., Ltd.), Tver, Russia(Orion Food Rus Co., Ltd.), and My Phuoc, Vietnam. In 2008, Orion was changed into a sole proprietorship of legal persons from Taiwan, Hong Kong, and Macao, China, by establishing the regional headquarters in Hong Kong. It also established a factory in Novo, Russia(Orion Food Novo Co., Ltd.). In 2009, Orion established factories respectively in Guangzhou, China(Orion Food[Guangzhou] Co., Ltd.), and Yen Phong, Vietnam. Crown entered the Chinese market formally in 2002 by selling products imported from its Korean head office. In 2005, Crown established a factory in the Shanghai Minhang Development Zone, which symbolized its formal settlement in China. In the same year, it ranked first among Korea's four major food factories after acquiring Haitai Confectionery & Food Co., Ltd.

## 3) Comparison

Orion and Crown were both founded in Korea in the 1950s. Before 2000, Orion was committed to opening up international markets and

setting up local offices and factories. Crown was committed to product development and company expansion in its home country. After 2000, Orion set up companies in China and many other emerging market countries, while Crown entered China only by importing products. In 2011, the Orion food industry park project was established in Shenbei New District, Shenyang. During the same year, it entered new markets by establishing the G\*Orion(Global Orion) SBU and launching Orion Choco Pie in Walmart and Costco, which are the largest distribution chains in the United States. Orion is devoted to expansion into international markets. However, due to the poor performance, Crown sold the shares of all production companies in 2012 and invested assets in CLB, a Hong Kong food company, quitting the Chinese market. In what follows, we will further analyze the reasons for the diverging results of Orion's and Crown's expansions into China.

### III. Case Analysis

#### 1. Explorative and Exploitative Localizations of Marketing

According to organizational learning theory, "Exploration includes the things involved in such terms as research, change, risk taking, experiment, entertainment, flexibility, discovery and innovation; exploitation includes the concepts such as refinery, selection, production, efficiency, choice, implementation and execution"(March 1991). The differences between the two concepts pertain to whether the new learning occurs along the same trajectory as the old one or along an entirely different trajectory(Gupta et al. 2006). In general, exploration will bring about uncertain and negative returns, and by contrast, exploitation will yield predictable and positive returns(March 1991).

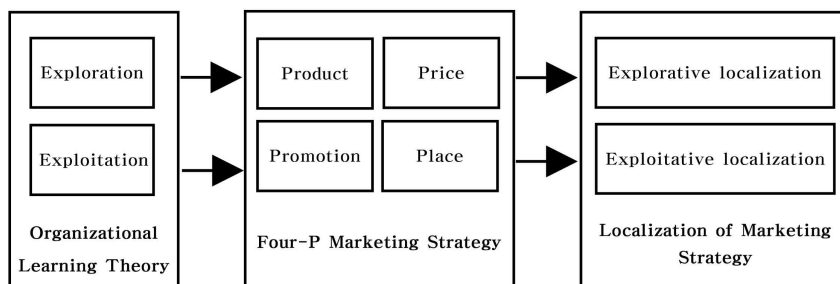
Accordingly, the localization of marketing generally influences a



multinational corporation's global management from the following aspects: branding (foreign brand engaging in the local culture; Strizhakova et al. 2012), production (Bresciani & Ferraris 2014; Morris 1991), product (Hao et al. 2016; Keh et al. 2016; Peng & Xie 2016; Theodosiou & Leonidou 2003; Torelli & Ahluwalia 2012) and promotion strategy (Cui et al. 2012; Zhou et al. 2015). Thus, we combine localization of four-P marketing strategies (Kotler 1997) with organization learning theory (March 1991) in order to establish two categories of localization strategies: explorative and exploitative localizations of marketing strategies. Exploratory localization refers to exploring new marketing strategies that involve product, price, place, and promotion and fully respond to local market needs. Exploitative localization refers to refining the existing product, price, place, and promotion strategies applied in home countries to host marketing strategy. Firms may refine their marketing strategies and adapt to local market and environment needs; however, the exploitative localization strategies are largely based on existing home country strategies.

Nevertheless, our case study shows that Orion developed local knowledge successfully, responded to the market dynamics flexibly, and made changes boldly through the explorative localization of marketing strategies in order to succeed in the Chinese market. Crown, on the other hand, used a series of exploitative localization strategies but finally withdrew its capital from China. See Figure 3 for the theoretical model.

Fig 3. Theoretical Model



## 2. Localization of Product strategy

The localization of products requires multinational companies to develop their products according to local conditions regarding raw materials, consumer preferences, and product adaptability requirements (Morris 1991) so as to launch products that meet local needs. With respect to the product strategy, Orion's adoption of explorative localization made new attempts at the product's formula, package, and category according to the characteristics of China's regional environment and segmentation of consumer group. By contrast, Crown, which adopted exploitative localization, distributed the same product in the home market as in the Chinese market. With a strong focus on Korean features, it failed to adapt to local market needs, regardless of its efforts to modify product appearance.

The first product that Orion launched in China was chocolate pie. Orion changed the product formula according to the distinct climate environment in China, which was complicated(e.g., the water content of pie in the Korean market was controlled at 15%, while the water content of pie sold in China was controlled at 12%). Orion also made concrete segmentation in the subsequent development. To be specific, it launched pies and biscuits with flavors and shapes oriented toward the target market of children and developed healthy non-fried leisure food(e.g. chips and xylitol gum) for young consumers. In addition, Orion designed new packaging in consideration of Chinese culture: it changed the green package to red and added the proprietary cartoon figure to the package of children's food. The featured product that Crown launched in the Chinese market was JollyPong(chocolate-flavored puffed wheat). In Crown's opinion, JollyPong's food category is vacant in China, and it could focus on the Chinese market more by selling the single product. Therefore, Crown implemented the centralized strategy by developing only one product line rather than multiple ones. To embody the product

characteristics, it retained Korean flavor rather than adjusting the formula to the Chinese market. It also used the package adopted in Korea. Further, in consideration of the regional characteristics such as logistics and distribution, Crown included two smaller packages in each unit to improve convenience.

### **3. Localization of Price Strategy**

In terms of price strategy, due to the differences in location and customer base, enterprises may adopt different base prices for products in different market segments to adapt to local consumption levels and market demand (Fryxell et al. 2004). Both Orion and Crown offered a higher price than similar products averaged in the market at that time. In light of the differences between Chinese and Korean consumption habits, Orion's explorative localization of marketing strategies involved a new pricing method that split the package according to consumer's purchasing power, whereas Crown's exploitative localization of marketing strategies failed to formulate a price strategy in line with local consumption habits and just carried out the pricing strategy already implemented in Korea.

At an early stage of market exploration, Orion's price was more than double that of second- and third-tier brands, since its production costs were higher. Nevertheless, to provide choice of price, Orion designed multiple packages of two, four, six, and twelve pieces. Meanwhile, the high-end brand publicity in hypermarkets promoted consumer knowledge of the high-priced product, and hence the consumer group focused on upper and middle income earners was formed gradually. By contrast, Crown implemented a pricing strategy similar to the Korean market for JollyPong, the price of which was higher than that of China's local snack products. Further, the single product structure led to the single price.

#### 4. Localization of Promotion Strategy

With respect to the promotion strategy, its core is to stimulate the deep sales of products for specific target product markets or consumer groups through specific promotion activities. This requires MNEs to integrate a brand's embedded global identity into local discovery (Strizhakova et al. 2012), avoid cultural conflict(Cui et al. 2012), and coordinate corporate cultural images(Zhou et al. 2015). Orion highlighted explorative localization and changed its product to align better with local Chinese culture, for example, by highlighting the brand's connotation of "benevolence." On the other hand, Crown's exploitation strategy emphasized product differentiation in that it distinguished its products from Chinese snacks without adding Chinese cultural connotations to adapt to the local market.

Orion's brand positioning in China is very clear: it advocates friendship, "a man of benevolence is content with the way of benevolence." Orion invited Chinese celebrities to endorse its products and sing the advertising song "Orion is for a good friend"(*Orion and good friend have similar pronunciations in Chinese*). Later, Orion cooperated with the Publicity Department of the Party Committee of Shandong Province and the China Confucius Foundation to formulate the full-length animation *Confucius* to advocate the virtues of traditional Chinese culture. This animation was played during CCTV's children's time, which deepened people's understanding of "benevolence" as well as Orion. By comparison, Crown only exploited existing production by promoting that JollyPong was absent from the Chinese market and by magnifying product differentiation to stimulate consumers' curiosity and attract market attention.

#### 5. Localization of Place Strategy

Place refers to the place where the product or service can be used by

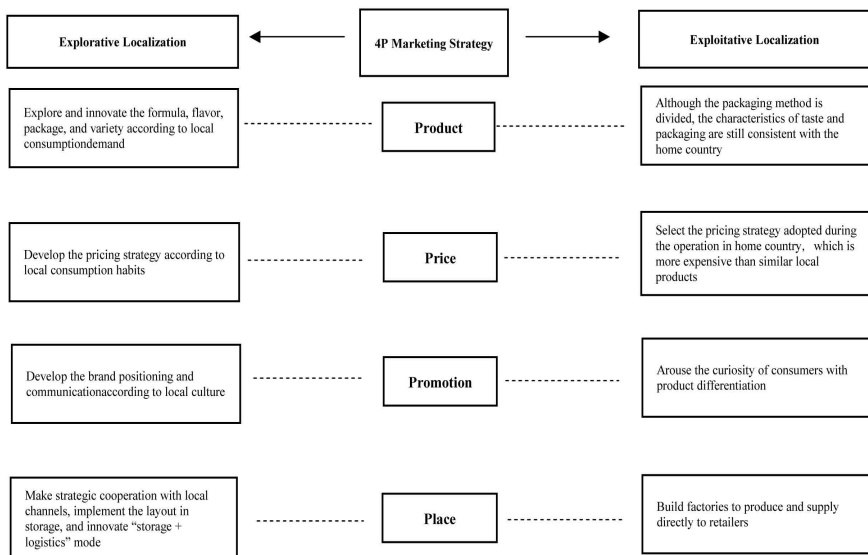
customers, including distribution channels. Place also refers to the place where the product is easily available to consumers(Khan 2014). Accordingly, the localization of place strategy requires marketers to analyze specific products and adapt them to the existing distribution cultures in different countries(Ross 1983). Orion, insisting on explorative localization, established its logistics management and sales channel according to local conditions and searched existing Chinese sales networks to establish its storage, logistics, and sales systems. Such experimental actions increased efficiency and reduced costs greatly. By comparison, Crown established a factory in Shanghai to meet the sales demand of East China, which only aggravated its investment loss.

Orion established production bases in Langfang, Hebei, and Qingpu, Shanghai, as well as four head offices in Beijing, Qingdao, Shanghai, and Guangzhou to take charge of more than 60 business offices covering the vast majority of regions in China and facilitating the division of duties and management of various areas and unification of the price system. By implementing an information management system between head offices and offices in various regions, Orion ensured market information could be reported to the head office in time, which guarantees that information is provided for the enterprise's correct decision-making. In the meantime, Orion used the operation mode of "storage + logistics" tentatively: It cooperated with post offices to save costs on establishing, managing, and maintaining warehouses and integrated the storage and logistics business development organically to upgrade from enterprise logistics to logistics enterprise and enhance its market competitiveness. Crown adopted a sales strategy of spreading out toward other provinces of East China and sold products by directly supplying goods to retailers. In Shanghai, Crown concluded an agreement with shopping malls and large chain supermarkets and successfully entered more than 80% of large retailers in Shanghai. In consideration of the Korea-based factory's failure to meet sales demand in China, Crown quickly established a production factory

and independent food trading company in Shanghai. However, Crown’s sales volume declined continuously after the establishment of the factory. Eventually, Crown signed an agreement in January 2012 to sell shares of all production companies and invest assets into CLB, a local Hong Kong food company.

Figure 4 shows the difference between Orion’s and Crown’s localizations of marketing strategy during international expansion (Orion highlights explorative localization of marketing strategies, while Crown emphasizes exploitative localization of marketing strategies).

Fig 4. Comparison Diagram of the Explorative and Exploitative Localizations of Marketing Strategies



This case shows that Orion and Crown have localized marketing strategies in different ways after entering the Chinese market, which brought them the opposite results. Combining the organizational learning theory and four-P marketing strategy, we find that the localization

strategies implemented by Orion and Crown are different in exploration and development: Orion adopts a more aggressive exploratory localization, which takes risk to achieve universality and shows a stronger adaptability, whereas crown adopts a more conservative exploitative localization, refining existing knowledge to cope with the different needs of the local market environment.

## IV. Discussion

In this paper, we aim to answer two questions: Why did Korean enterprises obtain different operation results in China? And what's the reason for their success or failure? We likewise aim to make some new discoveries by comparing and analyzing the difference between explorative localization and exploitative localization of marketing strategies based on the cases of Orion and Crown in China.

First, this paper enriches localization theory by developing two categories: explorative and exploitative localizations of marketing strategies. It also extends the literature regarding the implementation of localization. Previous studies of multinational corporations' localization of marketing highlight the localized application of cultural difference in order to overcome difference(Lowe et al. 1998; Mooij & Hofstede 2011), the employment of local staff(Sung 2007; Pak, Sun & Yang 2019; Yang & Pak 2020), the utilization of local raw materials(Morris 1991), the efficient utilization of local knowledge(Bang & Lee 2006; Gencturk & Aulakh 1995) and four-P strategy(Kotler 1997). But there is an insufficient emphasis on how the localized strategy functions when the multinational corporation faces an uncertain environment in international expansion. Therefore, two new categories: explorative and exploitative localization of marketing strategies are compared in this paper in order to better understand localization theory. In particular, the explorative localization of marketing

strategies emphasizes capturing and integrating local knowledge as well as making innovative changes from home-country culture and market needs. On the other hand, exploitative localization of marketing strategies emphasizes selection, implementation, and extension of existing home-country strategies, without making fundamental changes according to local environment.

Second, the application of learning theory is enriched by combining it with four-P marketing strategies. The learning theory advanced in previous research has mostly applied to how enterprises use existing knowledge and exploit new knowledge(Lu et al. 2016; Tamayo-Torres et al. 2011; Zhang et al. 2015), improve performance(Chung & Lee 2019; Lages & Griffith 2008; Li & Wang 2019; Luo et al. 2018; Kim & Joo 2013; Osiyevskyy et al. 2020), innovate strategy(Acevedo & Díaz-Molina 2019; Chung 2018; Khan et al. 2019; Kim 2019; Mayanja et al. 2019) and mobilize international strategy(Choi et al. 2018; Oehme & Bort 2015; Pae & Seo 2017; Pak et al. 2015; Zhang et al. 2020). We initially combined learning mechanisms with marketing strategies as summarized above in Fig. 4.

Third, the businesses that Orion and Crown run in China break the convention of exploration and exploitation. According to previous research, exploration generates uncertain and negative returns while exploitation yields predictable and positive returns(March 1991). However, according to this case study, an enterprise(Orion) succeeded after exploring and developing a new marketing strategy by considering and learning local knowledge according to environmental changes and their developmental needs, despite the risks of exploration. By contrast, an enterprise(Crown) failed because it was unable to adapt to the change in environment or improve its existing knowledge by utilizing local knowledge, even though the exploitation is considered low risk. The reasons that the results diverged from those expected given the original theory may need further investigation. It might be that the marketing



exploration is different from research and development, which needs a very long feedback cycle. Explorative localization of marketing strategies will receive faster market feedback, and firms implementing the explorative localization of marketing strategies can therefore respond to the local environment faster and more flexibly.

This study also provides managerial implications for MNEs' international expansion and their localization strategies in foreign markets. In this paper, the characteristics of and differences between explorative localization and exploitative localization of marketing strategies are compared and analyzed in terms of the market expansions of Orion and Crown into China, which illuminates the marketing challenges of multinational corporations expanding into China and other emerging markets. Enterprises adopting explorative localization of marketing strategies can adapt to international markets rapidly and make flexible responses, whereas enterprises insisting on exploitative localization of marketing strategies can hardly succeed in international markets by implementing and duplicating the marketing strategy used in their home countries. Therefore, multinational corporations should investigate markets extensively and accurately, learn local knowledge, and painstakingly formulate appropriate marketing strategies on the basis of the above factors. Especially given a diversified market such as the snack market in China where consumers' diversified preferences and a strong contextual culture dominate, comparing refinements, selection and repetition, flexibility, experimentation, and discoveries seems most important for MNEs to adapt to the market appropriately. Therefore, in a more diversified global market, MNEs may strengthen their explorative learning capacity and flexibly change their localization strategies according to the local market and the timing of their expansion.

Furthermore, when MNEs enter new markets, especially when enterprises from developed countries enter emerging markets, they will encounter different systems, cultural environments (Peng & Xie 2016), and

consumption habits. MNEs can easily fall into success traps(Gupta et al. 2006), such as using the home country's products to segment the host country's market or simply adjusting product functions to achieve price needs in host countries(Winter & Govindarajan 2015). However, these traps have proved to be destructive to the development of international markets(Winter & Govindarajan 2015). Therefore, MNEs need to "define the problem independent of solutions" and "create an optimal solution, not a watered-down one, using the design freedoms available in emerging markets."

Moreover, as emphasized by the organizational learning theory, it will be easier for enterprises to keep on exploitation, but it is not easy for them to maintain a certain level of exploration, which is the key to survival and development in a new and diverse environment(March, 1991). The international expansion of MNEs may be based on existing, successful domestic experience at the beginning, but if exploitation is only reinforced, then exploration will be ignored. Organizations need to intentionally maintain a certain degree of exploration by experimenting with timing, for example, creating new products, or implementing totally different price promotion and place strategies according to local needs. Both Crown and Orion prefer the exploitation strategy in the sense that they used products sold in their home countries to enter the Chinese market. However, Orion did not insist on the exploitation strategy but instead shifted to explorative localization later, which helped it succeed in becoming a market leader.

There are some limitations exist in this study. First, we only analyzed two companies in snack industry, which on the one hand, provided semi-controlled environment for the study; however, on the other hand, the interpretation of our results may need cautions, when applied to other industries. Also, given that this case study is based on the food industry, information pertaining to other industries exploring emerging markets remains insufficient. Additionally, since Crown withdrew from

the Chinese market in 2012, existing data is slightly deficient. Future research is needed to answer the following questions regarding the relationship between exploration and exploitation (Gupta et al. 2006; Jacobs & Cambré 2020; Nielsen & Gudergan 2012): Are explorative localization and exploitative localization of marketing strategies antagonistic or complementary? Could companies implement explorative localization and exploitative localization of marketing strategies simultaneously? Will explorative localization of marketing strategies always avoid risk? Will exploitative localization of marketing strategies always fail to localize innovation?

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## 국문요약

# 탐색적 및 활용적 마케팅 현지화—오리온과 크라운제과의 중국시장 현지화 전략에 관한 비교연구

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본 연구의 목적은 오리온과 크라운제과의 중국 시장 현지화 마케팅 전략을 비교하는 것이다. 같은 산업에 속한 두 기업이 비슷한 시기에 중국 시장에 진입하고 유사한 초기 조건에서 중국 시장 확장을 진행했음에도 불구하고 전혀 다른 성과를 달성하였다. 이 차이점을 밝히고자 본 연구는 학습 이론의 탐색 및 활용 개념과 마케팅 전략인 4P전략(product, price, promotion, place)을 접목해 오리온과 크라운제과가 중국 시장에서의 마케팅 현지화 전략을 비교분석하고자 한다. 탐색적 및 활용적 현지화 개념을 통해 해외 시장 진출 과정에서 두 기업이 활용한 정반대되는 마케팅 전략을 보다 명확히 설명할 수 있다. 결론적으로, 오리온은 탐색적 마케팅 현지화 전략을 활용하여 중국 시장에서 좋은 성과를 달성하였다. 반면, 크라운제과는 활용적 마케팅 현지화 전략을 활용하여 신흥시장인 중국 시장에서 오리온과는 다른 결과를 얻었다.

주제어: 신흥시장 진출; 탐색적 마케팅 현지화 전략; 활용적 마케팅 현지화 전략

