

PRODUCT STANDARDIZATION STRATEGY

Product standardization is an efficient method to reduce costs and increase quality. By minimizing the differences in your products, you are able to rapidly increase production, streamline distribution, decrease raw material costs and reinforce product branding. The best product standardization strategies allow you to balance the need for targeted adaptation with the cost savings of standardization

Components

Standardize the basic components of all your products. Look at your product line and determine where you can create similar component sections across several products. If necessary, modify your products so similar components can be used. For example, if you produce light fixtures, standardize the socket and ceiling attachment mechanisms across all your products. Make your product according to standards that designers use when designing different models. Not only will you save on production costs, you can standardize installation instructions and decrease testing costs. When you have a high number of similar components, you can quickly introduce new products to the market to capitalize on changes in customer preferences.

Packaging

Slight changes in packaging can help you standardize your product offers globally. Without needing to make changes to your actual product, you can alter your product packaging to reflect differences in legal requirements such as warnings, language, promotions and branding. Products shipped to international [destinations](#) may also require additional protection against moisture, extreme temperatures and harsher sales conditions. For example, if you sell candy in the U.S. and want to expand to Spain, change your existing packaging to Spanish and change colors to be more appealing to a Spanish consumer, but sell the same candy you sell in the U.S.

Quantity

Sell your standardized product in different quantities. Make large packages for warehouse stores and small packages for international markets. Most international customers do not buy products in bulk due to lack of space, [transportation](#) limitations and monetary differences. You can take advantage of product standardization savings by selling different quantities in different marketing channels. Consider selling your product in different quantities in the same store to capitalize on consumers that want a volume discount. For example, if you sell potato chips, sell a snack-size package and a family-size package.

Advantages of Standardization.

International uniformity has its own advantages. As people travel the World, they can be assured that wherever they go the product that they buy from you will be same and that it will have the same, standard benefits. This could mean the components that they buy from you in different local markets as they themselves become global.

Standardization **reinforces positive consumer perceptions** of your product. One of the payoffs of great quality for a single product category is that the reputation of your product will help you sell more of it. Positive word-of-mouth pays dividends for brand owners.

Cost reduction will give **economies of scale**. Since you are making large quantities of the same, non-adapted product - you benefit from the advantages associated with manufacturing in bulk. For example, components can be bought in large quantities, which reduces the cost-per-unit. There are other benefits relating to economies of scale, including improved research and development, marketing operational costs, lower costs of investment, and in an age where trade barriers are coming down - standardization is a plausible product strategy.

Quality is improved since efforts are concentrated upon the single product. Staff can be trained to enhance the quality of the product and manufacturers will invest in technology and equipment that can safeguard the quality of the standardized product offering.

Disadvantages of Standardization.

Since the product is the same wherever you buy it, **it is wholly undifferentiated**. It is not unique in anyway. This leaves the obvious opportunity for a competitor to design a tailor-made, differentiated or branded product that meets the needs of local segments. Of course products have different uses in different countries (for example cycling is a leisure activity in some nations, and a form of transport in others). Local markets have local needs and tastes. Therefore by standardizing, you could leave yourself vulnerable.

Another problem with standardization is that **it depends largely upon economies of scale**. With global businesses, your business will manufacture in a number of nations. However, some countries implement trade barriers (and yes - this includes the USA and the European Union). If this is the case, then localization and the resultant adaptation is inevitable.

What exactly do you intend to standardize? Is your whole product 'experience' to be standardized? Do you standardize customer service and product support, marketing communications, pricing, and channels of distribution? Then you have a standardized marketing mix - surely this cannot benefit your business

- **JEDEC** - Joint Electron Device Engineering Council. The semiconductor engineering standardization body represents all areas of the electronics industry including discrete component and integrated circuit packaging standards.
- **EIA** - Electronic Industries Alliance. EIA is a national trade organization that includes the full spectrum of U.S. manufacturers for tape and reel, tray and tube component packaging standards. The EIA-481-D-2008 publication is the most recent.
- **IEC** - International Electrotechnical Commission. IEC is the leading global organization that prepares and publishes international standards for all electrical, electronic and related technologies as well as associated general disciplines such as terminology and symbols.
- **NIST** - National Institute of Standards and Technology. From atomic clocks to semiconductors, innumerable products and services rely in some way on NIST. NIST's mission is to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life.
- **IPC** - Association Connecting Electronics Industries. IPC is a trade organization that brings together all of the players in this industry: PCB designers, PCB manufacturers, PCB assembly companies, suppliers, and original equipment manufacturers.
- **ANSI** - The American National Standards Institute. ANSI's mission is to enhance both the global competitiveness of U.S. business and the U.S. quality of life by promoting and facilitating voluntary consensus standards and conformity assessment systems, and safeguarding their integrity.
- **EIAJ** - Electronic Industries Association of Japan. EIAJ's mission is to represent the domestic electronics industry in working on the challenges and issues it faces including programs planned and implemented with the cooperation of related organizations and associations worldwide.
- **iNEMI** - International Electronics Manufacturing Initiative. iNEMI is an industry-led consortium whose mission is to assure leadership of the global electronics manufacturing supply chain. With a membership that includes hundreds of electronic component manufacturers, suppliers, associations, government agencies and universities.
- **JEITA** - Japan Electronics and Information Technology Industries Association. JEITA is an industry organization in Japan with activities covering both the electronics and information technology (IT) fields. JEITA covers electronic components, radio and broadcasting equipment, computers, medical devices, measure and control systems and assemblies.