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Standardize, Adapt, or Glocalize?

A Qualitative Study of Glocalization Commitment across Multinational FMCG Companies in Indonesia

by

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Abstract

The Indonesian Fast Moving Consumer Goods (FMCG) market ranks among the world's largest consumer markets, with one of the highest annual growth rates worldwide, and a consumer base of more than 200 million. Despite its size and potential, the market is notoriously challenging to navigate, as it contains a unique combination of strong local traditions, Islamic religious practices, and price sensitivity. These conditions demand thorough adaptation for multinational companies; one that does not always align with their own tendency to standardize operations across markets. The conflicting approaches, therefore, require compromises in the form of a contingency approach, which combines both standardization and adaptation on a case-by-case basis. The contingency approach is implemented through glocalization, which refers to sets of practices that combine aspects of "globalization" and "localization". In this research, glocalization was analyzed through its degree of commitment across four practices: product-, marketing-, sales and distribution-, and regulation-based glocalization, in four multinational FMCG companies operating in Indonesia. The degree of commitment was divided into low, medium, and high, using an adaptation of the Uppsala Internationalization Model.

The findings identified a glocalization pattern that leaned toward a high degree of commitment in product-, marketing-, and regulation-based glocalization, and a medium degree in sales and distribution-based glocalization. In most cases, these higher levels of commitment were pursued to gain local acceptance, while also utilizing opportunities unavailable within the companies' global operations. Despite that, several factors also limited how far these adaptations could be implemented. In some cases, these limits were set deliberately, such as when products for middle- to high-end consumers were standardized to maintain a premium image. In others, the limits were less deliberate; coming from business structures that allowed little adaptation to local values, or from international regulatory requirements imposed for health-focused products.

Keywords: Glocalization, Uppsala Internationalization Model, Fast Moving Consumer Goods, Indonesia

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Table of Contents

List of Tables

List of Figures

1 Introduction

1.1 Background and Problem Statement

Twenty-two years after Indonesia's independence, the enactment of the Foreign Investment Law (UU PMA) No. 1 of 1967 opened the floodgates for multinational companies (MNCs) to enter the Indonesian market. This momentum accelerated further throughout the 1970s and beyond, marked by a surge of foreign companies establishing their presence within the country (Puadah et al., 2025). By the early 1980s, foreign capital investment had reached over 700 projects totaling USD 16.2 Billion (Central Bank of Indonesia, 1983), including the establishment of multiple Fast Moving Consumer Goods (FMCG) companies in Indonesia.

Half a century after their initial presence, FMCG companies, which provide essential goods ranging from food items to household and personal care products with limited shelf life (Campbell, 2025), have grown into one of the most significant industries in the country. With an annual market value of IDR 850 trillion (approximately USD 49 billion), a consumer base of 280 million people (NielsenIQ, 2024), and a 5.5% annual growth rate that surpasses the Asian market average (Weno et al., 2025) and even triples that of Europe (Roy, 2025), its presence has proven to be among the most lucrative in the world. With Indonesia projected to become the fourth-largest consumer market in the world by 2030, below India, China, and the United States (Veronika, 2026), this trajectory is only expected to strengthen further.

Despite Indonesia's macro environment as one of the largest emerging markets for FMCG players (Alkhonsa & Nurwahidin, 2023), the micro conditions required to thrive within the market are more complex to navigate. Firstly, because FMCG products are deeply embedded in consumers' daily routines and basic needs, from dietary choices and personal hygiene practices (Bocken et al., 2022), they carry particular sensitivity in Indonesia as the world's largest Muslim-majority country. While global brands are often perceived as symbolising high value or quality (Ratriyana, 2018), this perception can become a liability when it conflicts with consumers' religious or social values. The absence of Halal certification, for instance, has been shown to significantly reduce purchase intent (Haliza & Pradesyah, 2023), with some estimates placing consumer reluctance as high as 76% (Awaliyah, 2021).

Second, Indonesia is a price-sensitive market (Puspitasari et al, 2023), with retail structures that differ from the Western markets many of the FMCG companies originated. Unlike the Western structure, which predominantly focus its sales through supermarkets or grocery stores, Indonesia's FMCG sales are dominated by *warung*, a traditional and often family-owned small shops (similar to kirana stores in India), which account for 80% of FMCG sales nationwide (Freischlad, 2021). With the total presence of 3.9 million *warungs* nationwide (Jakarta Globe, 2026) compared to that of only 40,000 supermarkets (Nadia, 2024), this structure creates multiple implications for FMCG companies, from how their products should be distributed, to what specific adjustments are needed to fit the setting of smaller shops. This condition, further amplified by the country's other unique traits, such as the prolonged holiday period of Eid Al-Fitr as its biggest shopping season (Chandra et al., 2025), alongside its high social media presence (Ibrohim & Budi, 2023), creates a high degree of operational uncertainty that requires continuous adjustments.

Third, Indonesia scores highly on collectivist values (Hofstede & Hofstede, 2004), a view which emphasizes the importance of group interests over those of the individual (Hofstede, 1993). The FMCG brands examined in this research, however, originate from Western nations that leaned more strongly toward individualism, which prioritizes individuals' interests over those of the collective (Hofstede, 1993). As collectivist consumers are more likely to evaluate brands through the lens of group identity, brands that fail to reflect those values became less likely to drive purchase intent (Frank et al., 2015). This is particularly consequential for FMCG companies, which rely heavily on branding and frequent consumer interaction, which made them especially sensitive to cultural fit and local relevance (He, 2026). Establishing meaningful connections between global brands and local consumers, therefore, requires that the values embedded in the brand align with those of the market (Ali & Ahmed, 2023).

In response to these demands, the seemingly straightforward solution would be for multinational FMCG companies to fully embrace adaptation, by adjusting their offerings to the specific circumstances of each market (Terpstra & Sarathy, 2000). In practice, however, such an approach is not without its own difficulty, as these companies were also driven by the need to preserve their global identity, built on standardized quality perception and a consistent brand image across markets (Ugwuoju, 2025). Excessive adaptation, in this sense, risks eroding the perceived image that gives them their competitive edge in the first place. It is this tension, between adapting locally and preserving the brand globally, which then created the demand for a hybrid, contingent approach. For many companies, that prevailing middle ground came in the form of glocalization, defined as “the practice of conducting business according to both local and global considerations” (Roudometof, 2016). An example of glocalization could be seen, for example, in Unilever’s launch of Sunsilk Hijab in Indonesia (Afdholy, 2019), a product tailored for hijab-wearing consumers while remaining anchored within the global Sunsilk brand.

This hybrid approach, however, raises an important question about the specific degree to which a multinational company should adapt or standardize; a question which existing research has given limited attention to. Specifically, prior research on standardization and adaptation, such as Theodosiou & Leonidou (2003) and Nasir & Altinbasak (2009), generally has tended to focus either on the broader conceptual debate of both sides or on relatively surface-level manifestations of glocalization, often treating it as a checklist of isolated adjustments (e.g. modifying a single label or packaging element) (Roudometof, 2016). While such studies are useful in analyzing glocalization as a method for companies to navigate these tensions, they often fall short of capturing it as a nuanced set of strategic practices across different dimensions of operations. This study, therefore, seeks to avoid both of these tendencies by instead analysing glocalization as a deeply embedded set of practices through which multinational FMCG companies seek to sustain and strengthen their position in the Indonesian market.

1.2 Research Aim and Question

Building on the research gap, this study aims to examine how multinational FMCG companies operating in Indonesia navigate the tension between global standardization and local adaptation by assessing how deeply their glocalization commitments are embedded in their operations. More specifically, it analyzes the extent to which these commitments are reflected in their practices, which leads to the following research question:

To what degree are glocalization practices committed by multinational FMCG companies in Indonesia?

1.3 Delimitations

This study specifically focuses on the Indonesian market, which is deliberately selected as the empirical context due to its position as one of the world's largest and fastest-growing FMCG markets (Weno et al., 2025), while simultaneously filled with competing tensions between lucrative market potential and structural complexity; from strong religious and cultural identity to a highly price-sensitive landscape, which requires extensive, non-straightforward adjustments before foreign companies can strengthen their market position.

Besides the notable growth of the FMCG industry in Indonesia, this industry is deliberately chosen as its products often require significant adaptation to gain market acceptance; due to their close ties to everyday consumption routines and hygiene practices, which are especially sensitive to cultural and religious norms (He, 2026). Additionally, the nature of FMCG products to rely on frequent purchases and high product turnover also meant that companies must carefully adjust their offerings to align with the price sensitivity of the market. Overall, these conditions make the Indonesian FMCG industry a particularly rich environment for examining glocalization.

1.4 Outline of the Thesis

This master's thesis is divided into five chapters:

(1) Chapter 1 introduces the research context, establishing the commercial and cultural conditions of the Indonesian FMCG market that motivate the study, before presenting the research purpose, question, and delimitations.

(2) Chapter 2 provides the theoretical and literature foundation, tracing the historical debate between standardization and adaptation that gives rise to glocalization, defining the concept and its four practice dimensions (product, marketing, sales, and regulatory). This chapter introduces the Uppsala Internationalization Model as the framework used to assess the degree of firms' glocalization commitment.

(3) Chapter 3 details the methodology, covering the research approach, design, data collection, and analysis methods, as well as considerations of validity, reliability, and research limitations.

(4) Chapter 4 presents the empirical findings by analyzing each company's glocalization across the four practices and their corresponding degree of commitment. After each company has been analyzed individually, the findings are compiled in a single table to map their degree of commitment across the four companies, alongside the key patterns and deviations that emerged.

(5) Chapter 5 concludes the findings, and reflects them in relation to the theoretical framework. Subsequently, the chapter also outlined the study's overall contributions, limitations of findings, and suggestions for future research.

2 Literature Review

The following chapter establishes the theoretical foundation of this research. It opens up by tracing the unresolved debate between standardization and adaptation in international business which gave rise to the contingency approach, one of which could be observed through the practices of glocalization.

This chapter therefore narrows the concept of glocalization into four dimensions (product, marketing, sales and distribution, and regulatory adaptation), as variables to analyze multiple glocalization practices conducted by multinational FMCG companies in Indonesia, followed by the introduction of the Uppsala Internationalization Model to assess the degree to which these companies commit to those practices.

2.1 The Concept of Glocalization

2.1.1 The History of Glocalization

The question of whether MNCs should standardize their strategies across international markets or adapt them to local conditions has been one of the most persistently debated topics in international business research for decades (Griffith et al., 2000). Despite the volume of research it has generated, the debate has never reached consensus, and its history is marked by a series of competing positions whose accumulated tensions gave rise to the concept of glocalization (Pandey et al., 2025).

To understand how the tension developed, the research will first begin tracing the competing arguments that shaped the standardization and adaptation debate in the first place. The standardization school is famously elaborated through Levitt (1983), who stated that technology was driving the world toward “a converging commonality”, which homogenizes consumer preferences across nations and renders cultural differences irrelevant to strategic decision-making. As these commonalities converge, he argued, firms could enable themselves to better standardize products at lower costs through economies of scale, which would outcompete those that “absorbed” the costs of local adaptation.

Not all scholars were convinced, however, and a growing body of research began to expose the limitations of standardization, creating what became known as the adaptation school. Among its most prominent scholars were Douglas and Wind (1987), who specifically challenged the assumptions behind Levitt’s (1983) argument, arguing that universal standardization was “naive and oversimplistic” (p.19), one which ignored the depth of cultural, political, and economic differences between national markets. Levitt’s (1983) three assumptions, from stating that customers’ needs will converge universally, to the very emphasis of uniformity to lower production cost, were found by Douglas and Wind (1987) to be inconsistent across specific market conditions, as those emphasis would often be negated by various costs needed in specific market (e.g distribution costs, tariff barriers, and other regulations); which led them to propose a more nuanced approach that also takes into account the need to adapt products based on local market conditions.

With neither side emerging as a one-size-fits-all model, this unresolved tension created the contingency school of thought, which reframed standardization and adaptation as two ends of a continuous spectrum, where neither end is inherently superior (Theodosiou and Leonidou, 2003), and that the appropriate balance depends on multiple factors, including the firm's target market, competitive position, and the nature of the product offered (Jain, 1989). From this spectrum, glocalization emerges as a way for companies to standardize certain aspects of their operations while adapting others (Roudometof, 2016), without treating both as mutually exclusive options.

As this research focuses on the Indonesian FMCG market, where it is heavily affected by cultural identity, collectivist social values, and highly localized purchasing behavior, the practice of glocalization becomes especially important as a method through which companies adjust the trade-offs mentioned.

2.1.2 Defining Glocalization

In this research, the concept of glocalization is first analyzed through Roudometof's (2016) book *Glocalization: A Critical Introduction*, to identify how its concept has been understood across different fields of knowledge, before being narrowed to the specific business context of this study. Glocalization is a broad concept first coined by Japanese scholars in a Harvard Business Review article in the 1980s, where they used the word *dochakuka*, which can be translated as "global localization." (Roudometof, 2016). Although related notions of hybridity, fusion, and mixture have existed for a long time, the term *glocal* itself only emerged relatively recently and "did not exist before 1990" (Roudometof, 2016, p.3).

Glocalization has multiple definitions in the field of business and marketing, which reflect different emphases. These range from a broader view of glocalization as "the simultaneous occurrence of both universalizing and particularizing tendencies in contemporary social, political, and economic systems" (p.4), to the creation or modification of products and services for global markets while adapting to local cultures. Based on the introduction, the study focuses more closely on the definition of glocalization as "the practice of conducting business according to both local and global considerations," based on the principle of "think globally, act locally" (Roudometof, 2016, p.113).

The specific emphasis on the word *practice* when defining glocalization in this research is especially important than other definitions that links glocalization merely to "products" or "services" (a company's output), because, as mentioned in the introduction, the study seeks to capture glocalization as a set of concrete practices exercised within multinational FMCG companies' business workflow that extends beyond loose labels attached to one or two isolated functions (e.g. how it affects product design alone) (Luigi & Simona, 2010).

2.2 The Practice of Glocalization

Although this research adopts a practice-focused definition of glocalization, the term itself remains difficult to analyze, as it has often been under-theorized or insufficiently distinguished from related concepts of globalization and localization (Roudometof, 2016). This ambiguity is also reinforced due to its wide range of focus, with Yaqoub et al.'s (2023) bibliometric review across three decades of glocalization research identifying a heterogenous yet "fragmented" body of research (Yaqoub et al., 2023, p.4).

That fragmentation creates a problem for research, because without clearer boundaries, almost any multinational business activity can be interpreted as a form of glocalization practices, as long as it "conveys" both the global preservation of standards and some degree of local adaptation (Ugwuoju, 2025). This could range from a brand changing its name to suit different markets, such as Henkel's Persil detergent, which was marketed as Persil Abaya (based on the Abaya traditional garment in the Middle East) and later as Persil Black Gel in Western Europe (Hollensen, 2020), to a much broader change, such as a car manufacturer switching the steering position for a different market.

To avoid this problem, this research narrows glocalization to practices where the tension between global standardization and local adaptation is strategically consequential in FMCG companies. The focus is therefore not on adjustments solely made to meet mandatory requirements or administrative uniformity (e.g. translating product text into Bahasa Indonesia), but on practices that reflect a meaningful response to the demands of the local market (Yang et al., 2025), which enables the research to assess the degree of each company's "glocalization commitment".

To construct the variables of glocalization practices, therefore, this research utilizes two perspectives as its theoretical foundation: first, from Grigorescu & Zaif's (2017) concept of "glocal strategy", which divided glocalization through four components, including product-based glocal strategies, price-based glocal strategies, glocal promotion, and distribution. Additionally, it also considers the classic International Business perspective of Prahalad & Doz (1987), who stated that regulatory differences across countries are key factors that enable or constrain multinational companies in a foreign market. Based on these two foundations, the variables of glocalization practices constructed in this research includes: product-based glocalization, marketing-based glocalization, sales and distribution-based glocalization, and regulation-based glocalization.

It has to be noted, however, that the specific literature from Grigorescu & Zaif (2017), along with other glocalization literatures, tends to treat the concept the way Roudometof (2016) previously warned, as a "checklist" of isolated adjustments focused mainly on consumer preferences, with limited elaboration from the perspective of company strategy. Because of this, the research decided to utilize the two theoretical foundations mentioned as a starting point, which are expanded through supporting literature providing more concrete explanations for each practice. This approach aligns with the research's purpose to capture the more in-depth forms of glocalization previous studies rarely examine.

2.2.1 Product-based Glocalization

In this research, product-based glocalization is examined through the specific ways multinational FMCG companies adapt their products within the Indonesian market. This concept is derived from the notion of *International Product Adaptation* (IPA) in International Business. Tsougkou et al. (2025) argue that IPA is a multidimensional concept consisting of various product elements that may be adapted when firms enter foreign markets, including taste, design/style, features, packaging, and labeling. Other forms of adaptation may include the complete creation of a new product catered to a specific market (Nasir & Altinbasak, 2009). Accordingly, this study treats product-based glocalization as a practice that involves adaptation of one or several product elements, or the complete creation of a new product, combined with the strategic reasoning behind those adaptations.

2.2.2 Marketing-based Glocalization

Marketing-based glocalization is interpreted through the ways multinational FMCG companies adapt their marketing activities within the Indonesian market. This specific definition is derived from the broader principle of the *promotional mix*, which Boone and Kurtz (2008) describe as the combination of activities used by firms to reach and influence consumers. These activities may include, for example, advertising through television commercials, billboards, or other mass-media formats, digital marketing through social media or e-commerce, as well as other, more localized activities such as in-person events or activation campaigns. Based on this perspective, marketing-based glocalization in this research is examined through the extent to which those activities are adjusted by each company, along with its strategic reasoning, to align their proposition with Indonesian consumer habits and preferences.

2.2.3 Sales & Distribution-based Glocalization

Sales and Distribution-based glocalization is derived from Rosenbloom's (1999) concept of distribution channels, which refers to the methods (called "channels") that firms use to offer their products to consumers and make them available for purchase. In the retail and consumer goods context, some of the most common forms of distribution channels included wholesalers, retailers (e.g. supermarkets and hypermarkets), e-commerce platforms, and direct selling through dedicated sales teams.

Since distribution channels are shaped by trade institutions and market norms that differ across countries, some channels cannot be transferred from one market to another without some form of local adaptation (Dimitrova and Rosenbloom, 2010). Given this need for adjustment, the various forms of distribution channels are therefore classified as either standardized or adapted; using both Levitt's (1983) perspectives of standardization and Douglas & Wind (1987) perspectives of adaptation, respectively (see: Section 2.1.1). The standardized distribution channels refers to those that operate in a similar manner to the companies' global operations, such as supermarkets, grocery stores, and FMCG flagship stores. The adapted channels, however, refer to those that are adjusted to the market-specific conditions of Indonesia and largely absent from a multinational company's global operations, such as local retailers like *warungs* (see: Section 1.1) or direct selling. Additionally, e-commerce channels are categorized as adapted, due to the dominant presence of multiple e-commerce companies that either operate only in Indonesia and surrounding regions, or are developed exclusively for the Indonesian market, such as Tokopedia and Blibli; two Indonesian e-commerce companies with unicorn status, or in other words valued over 1 Billion USD (Dewi, 2023).

Based on this perspective, the sales and distribution-based glocalization is examined through the extent to which certain channels are selected and prioritized to fit the Indonesian market, based on a company's market knowledge (Jain et al., 2012) and their strategic objectives.

2.2.4 Regulation-based Glocalization

Regulation-based glocalization is interpreted through the ways multinational FMCG companies adapt their regulatory compliance within the Indonesian market. This definition is derived from the principle of *institutional duality* stated by Ahworegba (2018), which explains that multinational companies face the dilemma of maintaining global organizational standards while integrating some aspects to respond to country-based conditions and restrictions. The usage of this concept is further supported by Blind et al. (2025), who stated that conformity with national standards is necessary to achieve local responsiveness, while international, company-level standards remain important for efficiency across multiple markets. In this sense, regulatory-based glocalization concerns the activities undertaken by multinational FMCG companies to balance their internal global compliance requirements with the national requirements necessary to operate and sell their products in Indonesia. In practice, this could appear through decisions such as adapting certain procedures or certifications to meet local requirements while preserving others based on the company's global standards.

At the same time, Blind et al. (2025) noted that national regulations are often used more reactively by multinational companies to respond to local needs, while international or global standards are more commonly used for most of their operational activities, which "can even replace national regulations" (p. 936). Because of this, instances where local regulation is fully prioritized over global compliance may rarely be found among multinational companies.

With this consideration in mind, this research utilizes Porter and Kramer's (2011) concept of *shared value* as an additional indicator to examine regulation-based glocalization; especially when institutional duality is not sufficient to distinguish the varying degrees of glocalization commitment.

Based on its definition, shared value refers to policies and/or operating practices that enhance a company's competitiveness while simultaneously advancing the economic or social conditions of the communities in which it operates (Porter & Kramer, 2011). To generate these values, Porter and Kramer (2011) identify several methods that companies could pursue; from reconceiving markets in ways that have not previously been developed, to developing supportive industry clusters within the region where a company operates. In practice, when this concept is applied to regulation-based glocalization, a company might, for example, collaborate with local producers to improve the quality of their production output; which allows it to meet the company's regulatory standards, while simultaneously benefiting the communities involved.

Based on these perspectives, regulation-based glocalization is first examined by assessing whether companies place greater emphasis on global or local requirements. Similar to the previous variables, the emphasis is placed on the degree to which regulatory activities reflect deliberate and strategic adjustment to local market conditions. However, in cases where multinational companies do not fully prioritize local requirements (over global standards), it is then further assessed using Porter and Kramer's (2011) concept of shared value; to examine whether the regulatory practices generate broader economic and social benefits for the local market.

2.2.5 Application of Glocalization Practices

As mentioned previously, the four practices outlined above are not treated in this research as abstract indicators of glocalization based merely on whether a particular practice is present or absent. In other words, the analysis does not assume that the use of a local language in product-based glocalization, or television advertising in marketing-based glocalization, automatically qualifies a practice as "glocalized", nor that its absence means the opposite. Instead, the specific practices carried out by different companies are treated as various ways through which glocalization may be exercised. The analytical focus is therefore on the degree of local embeddedness reflected in those practices in relation to the strategic demands of the Indonesian FMCG market.

The following table outlines the specific concepts and literature used to define each of the four glocalization practices, along with their examples in practice:

Table 1. Conceptual Basis of the Four Glocalization Practices

Glocalization Practices	Concepts and Examples
Product-based	Adapted based on the principle of International Product Adaptation (Tsougkou et al., 2025) and Nasir & Altinbasak (2009), which could include taste, design/style, features, packaging, and labeling, or the creation of a new product catered to specific market.
Marketing-based	Adapted based on activities within the Promotional Mix (Boone and Kurtz, 2008), which could include TV commercials, billboards, digital marketing through social media campaigns, KOL partnerships, and other forms, such as an activation campaign.
Sales and Distribution-based	Adapted based on the concept of distribution channels (Rosenbloom, 1999), which includes supermarket chains, grocery stores, and flagship stores (standardized channels), and local retailers or *warungs*, direct selling, company's local websites, or market-specific e-commerce platforms (adapted channels).
Regulation-based	Adapted based on the principle of institutional duality (Ahworegba, 2018), which refers to the tension multinational companies face between maintaining internal global compliance standards and adapting to national regulatory requirements in the countries they operate (e.g. local certifications); and complemented by Porter and Kramer's (2011) concept of shared value, which emphasizes that the creation of certain policies and/or operating practices could enhance competitiveness, while simultaneously improving the economic or social conditions of local communities.

2.3 Theoretical Framework

2.3.1 Uppsala Internationalization Model

Due to the absence of a singular model developed to measure the degree of glocalization commitment, this research follows Jaakkola's (2020) suggestion to identify existing models with similar principles and adapt them based on the needs of the research. Following this, this research utilizes the Uppsala Internationalization Model as its main analytical framework. The model, first introduced by Johanson and Vahlne (1977), explains how firms deepen their presence in foreign markets through a feedback loop between experiential knowledge and market commitment. As firms gain more experience in certain markets, their understanding of local conditions becomes stronger, which in turn supports more deliberate and market-specific decisions (Johanson and Vahlne, 1977).

To specifically assess the degree of glocalization practices, this research uses the "*establishment chain*" component of the Uppsala model. Johanson and Vahlne (1977, p. 24) describe the establishment chain as a four-stage process through which international firms deepen their presence in a foreign market: (1) no regular export activity, (2) export via an independent representative, (3) a foreign sales subsidiary, and (4) foreign production. These four stages were utilized as a set of guiding principles, rather than as a rigid classification; First by being interpreted through the detailed descriptions provided by Johanson and Vahlne (1977) and relevant literature, before being converted into specific degrees of glocalization commitment. This way of utilizing the model is particularly fitting for Indonesia's FMCG market context, because although various resources are emphasized differently across the establishment chains (e.g. export, sales, and production), Johanson and Vahlne (1977) themselves note that not all resources can be transferred or applied in the same way across markets. This strengthens the case for using the model as a set of guiding principles rather than as a direct adaptation.

2.3.2 Adaptation of the Uppsala Internationalization Model

Although the Uppsala model is originally structured around four establishment chains, this research limits its adaptation to merely three of them in assessing their glocalization commitment. Stage one, which Johanson and Vahlne (1977) describe as the absence of regular export activity, is excluded on the basis that all multinational FMCG companies examined have already established their operational presence in Indonesia, with their products circulating and being sold in the market. The adapted framework, therefore, begins from the point at which market presence already exists. From there, the remaining three chains are reframed as guiding principles to define the three levels of glocalization commitment, namely low, medium, and high, which serve as the variables in this research. These levels are then used to analyse each company's four glocalization practices exercised within the Indonesian market.

1. **Low glocalization commitment (LC)**: The variable of low glocalization commitment in this research is derived from Stage 2 of the Uppsala model's establishment chain. Johanson and Vahlne (1977) describe this stage as exporting through an independent representative, indicating that a company has begun committing resources (goods, human, or knowledge) to the foreign market, but only to a limited extent. In this research, that logic is interpreted as a form of partial local commitment. In practice, it refers to the way in which local adaptations exist, but remain at the level of minimum requirements necessary to enter and operate in the market, while the broader business continues to follow predominantly global standards.
2. **Medium glocalization commitment (MC)**: The variable of medium glocalization commitment is derived from Stage 3 of the Uppsala Model's establishment chain. Johanson and Vahlne (1977) describe this stage as the establishment of "a foreign sales subsidiary," (p.24), indicating that firms have begun actively investing in the market beyond the minimum threshold (e.g., establishing local teams). In this research, that logic is interpreted as a form of deliberate local commitment, where the firm goes beyond what is strictly required and makes conscious efforts to adapt its practices to local conditions while maintaining global considerations. This interpretation is consistent with Johanson and Vahlne's (1977, p. 25), who stated that firms at this stage have "gradually gained experience in starting and managing subsidiaries," suggesting that the relationship between global standardization and local adaptation has shifted from a basic necessity into capturing a more deliberate balance between the two.
3. **High glocalization commitment (HC):** The variable of high glocalization commitment is derived from Stage 4 of the Uppsala model's establishment chain. Johanson and Vahlne (1977, p. 24) describe this stage as "foreign production/manufacturing," indicating that the

firm has built substantial capacity dedicated specifically to the host-country market. In this research, that logic is interpreted as a form of deep local commitment, where the firm no longer treats local adaptation as a limited adjustment, but allows local teams a meaningful degree of autonomy to identify and respond to market-specific conditions. This interpretation is consistent with Johanson and Vahlne's (1977, p. 27) argument that, as resources become specialized, the local knowledge that emerges begins to shape decisions rather than merely inform them. Based on this, high glocalization commitment refers to practices where local adaptation is given higher priority over global standardization when the conditions require it.

It should be noted, however, that this study does not treat LC, MC, and HC as evaluative judgements. In other words, a glocalization practice categorized as LC is not automatically understood as unsuccessful, just as a practice categorized as HC is not automatically assumed to be more effective. As emphasized by the contingency approach, the appropriate level of commitment across the four practices is inherently context-dependent, shaped by the nature of the product, the competitive environment, and the strategic demands required from the Indonesian FMCG market. For that reason, aligning with the research question, the framework is used as a descriptive and comparative tool to identify the degree of glocalization commitment reflected in each company's practices, and to assess whether that positioning was conducted due to the minimum adjustments required to operate in the market, or rather exercised as a deliberate strategic choice.

2.3.3 Application of the Model

After establishing the four glocalization practices and the three levels of commitment using the Uppsala Model, this research combines the two into a single table. Each of the four practices (product-, marketing-, sales and distribution-, and regulation-based glocalization) is referenced against the three commitment levels (low, medium, high), which produces a cross-table matrix that serves as the primary analytical tool in this research. This adapted framework allows each company to be assessed separately across the four glocalization practices.

The matrix is presented in Table 2 below:

Table 2. Degree of Glocalization Commitment

Glocalization Commitment / **Types of Glocalization**	**Low Commitment** (Mandatory Adjustment)	**Medium Commitment** (Simultaneous Global & Local Importance)	**High Commitment** (Emphasis on Local Adaptation)
Product-based based on International Product Adaptation concept adopted from Tsougkou et al., (2025) and Nasir & Altinbasak (2009)	Product elements in the IPA follow global standards with minimal local adjustment.	Some product elements adjusted to meet local demands beyond minimum requirement, while simultaneously emphasizing their global standards; and/or the existence of locally-adapted brands, but only for limited cases.	The majority of product elements adjusted to meet local demands; and/or the existence of multiple new products or brands created specifically for the local market.
Marketing-based based on Promotional Mix concept adopted from Boone and Kurtz (2008)	Promotional mix activities follow a globally uniform template with minimal local adaptation.	Some local elements beyond the minimum requirement are incorporated into the promotional mix while simultaneously aligning with global standards.	Promotional mix activities are mostly locally initiated, and built to reflect local consumer behaviour.
Sales and Distribution-based based on Distribution Channels concept adopted from Rosenbloom (1999)	Distribution follows global or standardized channels with little adaptation to local infrastructure based on the market.	Some locally relevant channels are integrated, while the overall distribution channels remain globally standardized.	Multiple locally relevant channels are integrated and prioritized over global channels in some or the majority of cases.
Regulation-based based on the concept of institutional duality from Ahworegba (2018), and the concept of shared value from Porter & Kramer (2011)	Regulatory compliance is treated as a “checklist” to meet local requirements; broader operations follow global standards.	Local regulatory compliance is actively pursued beyond the minimum, while global compliance remains an important priority.	Regulatory principles heavily prioritize local requirements, and/or the creation of policies that generate shared value for both the company and the broader communities (industry or society).

Within the analysis, each company will be mapped individually across the four practices based on the emerging data. This allows a company, for example, to display low commitment in product-based glocalization, but high commitment in marketing-based glocalization. Once the specific position has been established, each practice would then be analyzed descriptively to examine its strategic reasoning.

Following the individual analysis of each case company, a final table is created to map all companies' positioning across the four practices. This table then serves as the basis for identifying broader patterns of glocalization practices within selected companies and their overall degree of commitment.

3 Methodology

This chapter outlines the research approach and methodology chosen for the thesis, in line with its objective and research question. The research adopts a qualitative approach, with primary data gathered through semi-structured interviews, and were further complemented through the usage of secondary data. The chapter concludes by outlining the measures taken to preserve the quality of each data.

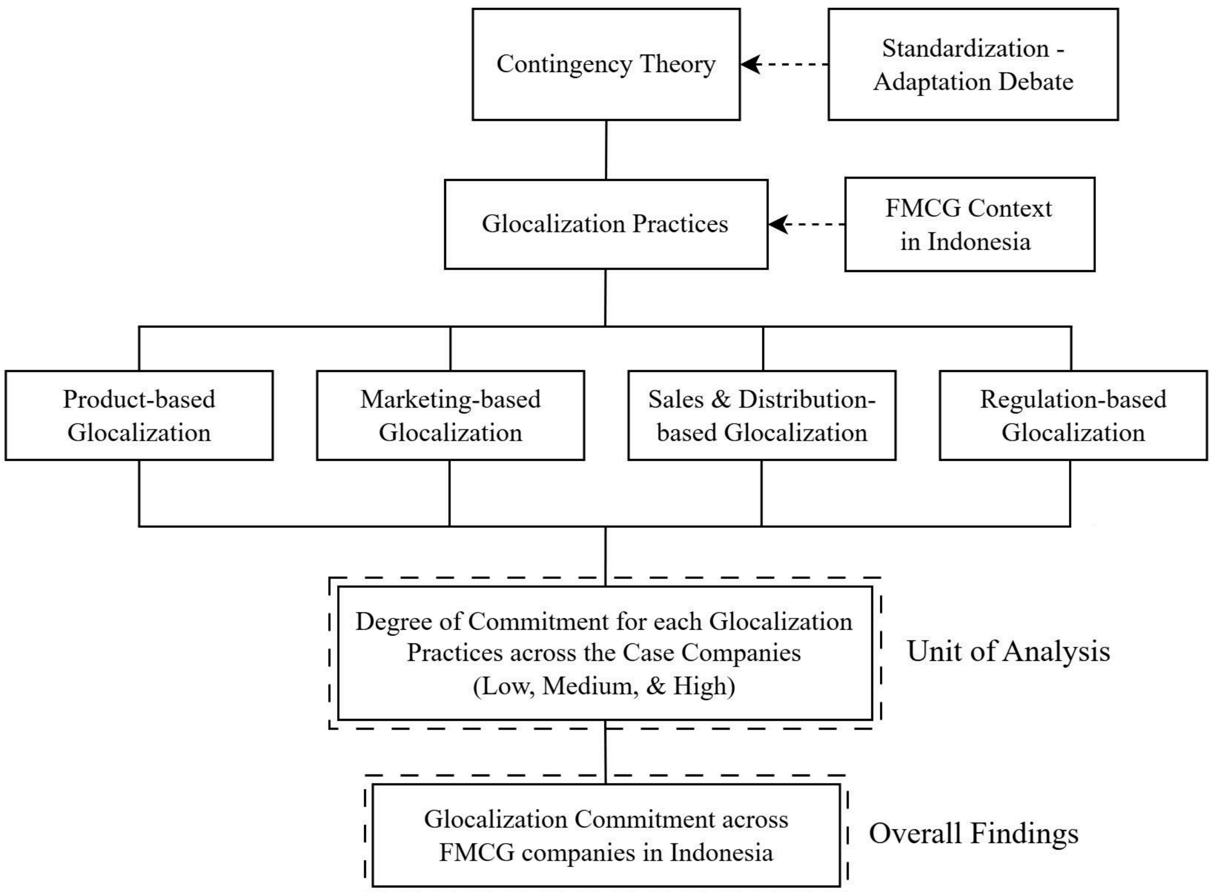
3.1 Research Approach and Design

Aligning with the research purpose of addressing the degree of glocalization practices from multinational FMCG companies, a qualitative approach using interviews was specifically chosen. This approach was deemed suitable, as the research seeks to explore complex phenomena through in-depth perspective of individuals involved (Lim, 2025), focusing on the aspects of “why” and “how” certain phenomena exists (Kielmann et al., 2012), rather than converting it into statistical patterns aligned closer with the quantitative methods (Itua & Monday, 2025).

As the previous chapter highlighted, the concept of glocalization has often been under-theorized and insufficiently distinguished from related concepts (e.g. globalization and localization) (Roudometof, 2016). Because of this, the research utilizes the exploratory design, which is deemed suitable as its methodological approach allows the incorporation of new insights emerging from data collection, rather than solely relying on prior predictions (Stebbins, 2001). As this under-researched nature of glocalization also extends to the broader FMCG industry, this research further adopts the *abductive* logic, which combines the characteristics of both *inductive* (data-driven) and *deductive* (theory-driven) logic (Kistruck & Shantz, 2021). More specifically, a deductive approach was used to construct the three degrees of the four glocalization practices; while the strategic reasoning behind each practice, which determined whether it was categorized as low, medium, and high commitment, was analyzed inductively, through the interpretation of insights from the interview (elaborated in Section 3.4.2). This combined approach enables the research to infer from the data to "the best possible explanation" in order to form a plausible conclusion (Dubois & Gadde, 2002).

Below is the visualization of the research flow:

Figure 1. Visualization of the Research Flow



3.2 Case Companies Selection

This research focuses on several multinational FMCG companies operating in Indonesia. The decision to analyze multiple companies followed Goodrick's (2014) view, where the use of multiple cases can produce more generalizable knowledge and clearer patterns from a broader phenomenon, while also enabling the researchers to make comparisons within and across contexts. Based on this approach, four multinational FMCG companies in Indonesia were selected for this research. Each company was selected deliberately with the focus to include a wide range of product types within the industry (Campbell, 2025), as different types of product carry distinct consumer demands, cultural considerations, and regulatory requirements.

To maintain a concentrated focus across different product types, this research narrows the selected companies based on whether their products fulfill Odupitan's (2017) classification of *"major categories"* in FMCG, which includes household care, personal care, and food and beverages (p.30). Within food and beverages, this research further distinguishes *general* food products and *specialized* food products, as the two differ in the degree of flexibility with which they can be marketed. Specialized food products, for example, face stricter restrictions in communicating their health-related claims, which does not apply to general food products (Díaz et al., 2020). This distinction also suggests the varying degree to which such products can be standardized or adapted across markets.

Additionally, since each company operates only within a portion of these major categories, the four companies were selected deliberately to complement one another. In this sense, each company was chosen because it represents product categories that other companies do not focus on. When combined together, this allows the research to cover multiple FMCG categories in a more holistic way and to assess glocalization practices across the industry more broadly.

Table 3. Product Categories from Each Case Company

No.	Company	Product Categories
1.	Company A	General Food & Specialized Food
2.	Company B	Personal Care
3.	Company C	Specialized Food
4.	Company D	General Food, Personal Care, & Household Care

Furthermore, while each of the four selected companies is a well-established multinational with a long-standing presence in Indonesia, all of them are kept anonymous throughout this research. This decision was made at the companies' request, in order to align with their Code of Conduct policies and in accordance with the EU's General Data Protection Regulation (GDPR). As a result, the companies are referred to as Company A, B, C, and D. These labels do not correspond to the initials of the companies' real names, but are used consistently to refer to the same company.

3.3 Data Collection Method

3.3.1 Primary Data Collection

The primary data were collected through semi-structured interviews, which served as the main source of empirical material in this research. Participants were selected through *criterion sampling* based on their alignment with a set of predefined criteria relevant to the research objective (Patton, 2002). To be considered, each participant was required to hold a managerial or specialist role within the company, with direct responsibilities tied to at least one of the four glocalization practices examined in this research. This criterion was applied to ensure that the insights primarily reflect practice-based knowledge of glocalization through direct involvement. If their involvement was limited to certain practices, they were also encouraged to provide information beyond their scope of work, such as information from the company's press reports and other internal documents, to extend the empirical depth of the data.

To prioritize quality over quantity, two to three informants were deliberately selected from each company based on the previously established criteria. The decision to limit the number of informants was made with careful consideration that certain individuals could offer more detailed and relevant explanations of the research topic, based on Bou-Llusar et al. (2016). The table below summarizes each informant's role and duration of interviews.

Table 4. Overview of Informants

No.	Role and Company	Interview Duration
1	Manager 1 from Company A	1 hour and 3 minutes
2	Manager 2 from Company A	1 hour and 22 minutes
3	Manager 3 from Company A	1 hour and 0 minutes
4	Manager 1 from Company B	1 hour and 27 minutes
5	Manager 2 from Company B	1 hour and 0 minutes
6	Manager 1 from Company C	0 hour and 57 minutes
7	Specialist 1 from Company C	1 hour and 44 minutes
8	Specialist 2 from Company C	1 hour and 7 minutes
9	Manager 1 from Company D	1 hour and 6 minutes
10	Manager 2 from Company D	1 hour and 14 minutes
11	Manager 3 from Company D	1 hour and 19 minutes

For the interview process, a semi-structured format was used, as it allowed the researchers to prepare a standardized guide with a consistent set of questions across informants, keeping the discussion aligned with the research focus. At the same time, the format also allowed relevant follow-up questions based on each informant's responses, which enabled the researchers to examine the strategic reasoning behind each company's glocalization practices, rather than limiting it to simple yes-or-no answers (Saunders et al., 2007).

Prior to each interview, the guidelines and consent form were shared with each informant. This step is implemented to ensure that they understand the purpose of the research and, if desired, prepare their answers in advance. To preserve the quality of responses, the interviews were conducted in Bahasa Indonesia as the informants' native language, which aligned with the principle from Squires (2009), who stated that participants tend to provide richer and more nuanced accounts when interviewed in their native language. Each interview lasted for approximately one hour, and was conducted online to accommodate the geographical distance. Additionally, the interview was also recorded to help the researchers with the transcription process. Following each interview, any additional information or clarification shared by informants, such as follow-up text messages, was also recorded and treated as part of the primary data where relevant.

3.3.2 Secondary Data Collection

This research utilizes secondary data as supporting material. In line with the research focus on analyzing the degree of glocalization commitment, secondary sources were used to strengthen, justify, and in some cases verify the insights gathered from the primary data, such as when informants explained the history of a specific product. In this sense, the secondary data provided additional sources to position each company's glocalization commitment more accurately. Additionally, it was also utilized to address potential gaps that could not be provided through interviews alone. In other words, secondary data in this research was used to triangulate the findings, which aligns with Valencia's (2022) statement, who noted that combining multiple data sources strengthens the depth of qualitative research.

The secondary sources used in this research includes industry reports, news articles, and legal documents issued by the Indonesian government. As the research examined the regulatory aspects of glocalization, secondary data were also used to identify legal clauses governing FMCG companies' operating in Indonesia, which could influence how they exercise the glocalization practices in the market.

3.4 Data Processing and Analysis

3.4.1 Data Processing

As the interviews were conducted in Bahasa Indonesia, the audio recordings were first transcribed in their original language using TurboScribe, an AI-based speech recognition tool that converts audio into text. To ensure accuracy, each automated transcript was subsequently reviewed and checked against the original recording by the researchers, with particular attention to industry-specific terminology and contextual cues that automated tools may misrepresent. Following this step, the transcripts were then fine-tuned to remove redundant pauses and filler words, before being translated into English using the AI tool Claude Sonnet 4.6. Finally, the English translations were assessed in a final review that ensures the accuracy reflected from each informant's responses.

After the English transcripts were reviewed, they were then coded thematically using different colour-coded labels linked to the four variables of glocalization practices, namely product-based, marketing-based, sales and distribution-based, and regulatory-based glocalization. In practice, relevant passages from the transcripts were marked with different colors according to the variable they reflected (Williams & Moser, 2019), while remaining open to new codes emerging from the data beyond the predefined variables.

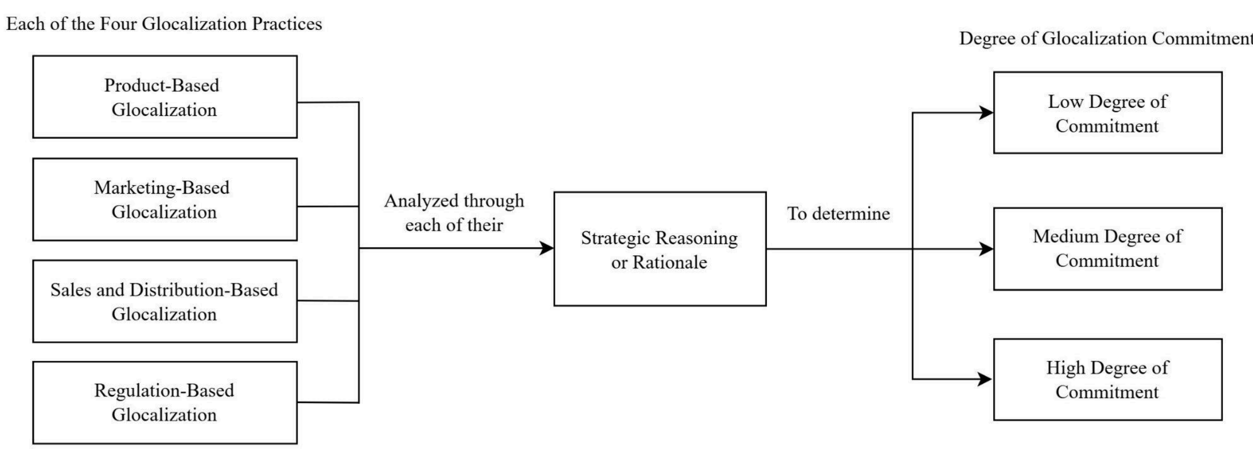
3.4.2 Data Analysis

After the data has been processed through their respective codes, each case company was then interpreted using exploratory analysis, which Stebbins (2001) defined as a methodological approach used to analyze a problem or phenomenon whose main characteristics have not been clearly defined. As mentioned in Section 3.1, this form of analysis is suitable given the under-researched nature of glocalization, as it allows the researchers to develop broader generalizations using patterns and themes emerging from the data itself (Stebbins, 2001), before being supplemented by secondary sources.

At the same time, the usage of exploratory analysis also reflects the researchers' awareness that interview data may not always correspond directly to the predefined indicators of each glocalization commitment level, and therefore requires further process of "exploration, rather than verification" (Stebbins, 2001, p.31); by first interpreting the emerging data with the broader context of each company (and the Indonesian market), which then helped determine whether the findings reflect a low, medium, or high degree of commitment based on their closest matching category.

In practice, as the unit of analysis in this research included the degree of commitment in each glocalization practice (see: Figure 1), the step-by-step process of the exploratory analysis began by first: Examining the glocalization practices carried out by each company across product-, marketing-, sales and distribution-, and regulation-based glocalization; for example, in product-based glocalization, the presence of local product variants according to the IPA concept would be identified as the glocalization practices that will be examined (using the interview data from the informants). For other glocalization practices, the first examination process would be conducted based on other concepts and indicators already established (see: Table 1).

Figure 2. Visualization of the Data Analysis Process



Once a specific glocalization practice (e.g. product-based glocalization) completed the initial examination, the researchers would then analyze its degree of commitment based on the company's strategic reasoning or rationale; or in other words, the company's underlying logical justification for a how business decision aligns with long-term and broader corporate goals (Hole & Burman, 2019). After the strategic reasoning behind the practice was interpreted (using interview data from the informants), the result was then cross-checked against the predefined indicators (see: Table 2), to determine the closest degree of glocalization commitment (i.e. low, medium, or high). In other words, the strategic reasoning is used by the researchers to determine whether each glocalization practice should be categorized as low, medium, and high degree of commitment (see: Figure 2). This process is then repeated until each degree of commitment has been determined for all four glocalization practices.

Once all degrees of commitment had been identified, a summary table was created to present a company's overall positioning across each practice. This process was then repeated until all the four companies were analyzed. Below is the table used to analyze each company:

Table 5. Commitment Level for Each Glocalization Practices by Company A/B/C/D

Glocalization Practices: Company A/B/C/D	**Commitment Level** (choose one for each category)
Product-based Glocalization	Low / Medium / High
Marketing-based Glocalization	Low / Medium / High
Sales and Distribution-based Glocalization	Low / Medium / High
Regulation-based Glocalization	Low / Medium / High

After analyzing each case company, an overview table was developed to map their positions across the four practices. The table was then used to identify recurring patterns and highlight deviations, which were subsequently analyzed descriptively.

3.5 Quality of Data

Given that this research relied on semi-structured interviews, the quality of primary data must be filtered through criterion sampling, by aligning the two to three chosen informants based on aforementioned criteria. This is done to reduce the risk of informant mismatch (Memon et al., 2025), and ensure that each could provide knowledge relevant to the topics analyzed in this research.

As the number of informants were deliberately limited, the quality of data was further ensured through triangulation with secondary sources (Valencia, 2022). In this research, these consisted primarily of peer-reviewed journals, industry reports, and academic books. The combination of primary and secondary data is important, as the “convergence” between the two sources (Carter et al., 2014) helped improve the accuracy of the analysis despite the small number of informants.

Furthermore, the reliability of the overall analysis is strengthened through the principle of pattern matching in International Business **(**Pauwels & Matthyssens, 2004). In practice, this is done by combining each companies’ degree of glocalization practices into a single table, so that recurring patterns across the findings become visible. These patterns then provide a degree of generalizability and allow the research to assess whether a given pattern is unique to one company or shared across most of the companies examined (Yin, 2018).

3.6 Limitations of Method

This study entails several methodological limitations, as well as measures taken to address them.

First, the reliance on interviews introduces a degree of uncertainty, as the data provided relied on informants’ own accounts and recollections, which may be subject to bias or selective memory that did not fully capture the thorough aspects of glocalization. This limitation is addressed through triangulation with secondary data, which complements the interview material by providing additional reasoning behind each company’s glocalization practices.

Second, the decision to use semi-structured format also carries the risk of creating uneven levels of detail across informants. This is because, in a semi-structured setting, informants are given a certain degree of freedom to answer without frequent interruption (Saunders et al., 2007), which meant that follow-up questions cannot be fully standardized across different interviews. To address this risk, the study deliberately gathered data from multiple informants; in this case two to three from each company, rather than entirely relying on a single informant. These informants were also selected carefully; by considering whether their specific managerial or specialist roles directly aligned with the glocalization practices examined in this research. This method of selection allows the findings to provide deep and relevant contextual insights (Bogner et al., 2009) into how glocalization is embedded within the selected companies; despite remaining limited in their generalizability across the wider FMCG industry. Additionally, the researchers also carried out additional clarification through text messages as needed, in line with Saunders et al.'s (2007) flexibility principle in qualitative data collection.

Lastly, as the transcripts were translated from Bahasa Indonesia into English, there is a risk that certain language-specific terms or expressions may be lost during translation (Regmi et al., 2010). To resolve this, the initial translation produced using the AI tool Claude Sonnet will be reviewed by the native Indonesian-speaking researchers, with the focus placed on preserving the meaning of key insights rather than translating them literally, in line with Qoyyimah's (2023) recommendation for meaning-oriented translation for bilingual researchers.

3.7 Responsible Use of AI Tools

The researchers believe in the importance of clearly stating how AI tools were used for the development of the thesis. Throughout this research process, the usage of AI followed the guidelines issued by LUSEM. Specifically, the researchers alone determined this research topic, objectives, theoretical frameworks, methodology, and conclusions, and the full writing of the thesis. AI-based tools, in this research, were therefore used only as a supporting tool, mainly to check for grammar, spelling, sentence structure, and the transcription of interview recordings. More specifically, ChatGPT 5.4 was utilized to refine the language and improve clarity, whereas TurboScribe was used to transcribe the interview recordings, after which Claude Sonnet 4.6 was used to translate them from Bahasa Indonesia into English. All subsequent review of the transcription and translation outputs, as well as the coding and analysis of the interview material, was carried out manually by the researchers.

4 Analysis and Discussion

This chapter analyzes glocalization commitment by first examining how the four practices are exercised empirically within each company, together with the strategic reasoning behind them. As outlined in Table 3, the four companies were deliberately selected to complement each other, with each representing one or more product categories not covered by the others.

Following the individual analysis of each company, a final analysis combining all four companies is conducted to identify the overall patterns and deviations in their glocalization commitment.

4.1 Company A

Company A is a multinational FMCG firm with an established presence in Indonesia for more than 50 years. It operates several manufacturing facilities in the country, and employs thousands of Indonesian workers. Based on the interviews, Company A manages a portfolio of 18 SKUs (Stock Keeping Units), which are limited to general food and specialized food products.

The following table summarizes Company A's degree of glocalization commitment across the four practice areas, based on the exploratory analysis presented in the subsequent sections.

Table 6. Company A's Degree of Glocalization Commitment across Each Practices

Glocalization Practices: Company A	**Commitment Level**
Product-based Glocalization	High
Marketing-based Glocalization	High
Sales and Distribution-based Glocalization	Medium
Regulation-based Glocalization	High

4.1.1 Company A's Product-based Glocalization

The product-based glocalization practices in Company A can be identified through the existence of two new brands (one general food & one specialized food), that were created specifically for the Indonesian market. The way these local brands were integrated into the company, specifically, was through the acquisition of what the informants referred to as established "local legacy brands", even in cases where the company's global operations already had a similar brand counterpart; this example could be identified from the company's specialized nutrition product.

> *"[Our global brand] came first, [and it has] existed in the global market. When the company wanted to expand its specialized food business in Indonesia, they acquired the [local] brand. The formulation is not very different, [but] technically, [the ingredients] have been mixed and matched. [However,] the idea is: [because the product] is already deeply embedded in the Indonesian public consciousness, we chose not to change the name."* **–Manager 1, Company A**

The reasoning behind this acquisition, as the informants noted, was to retain the existing customer base of the acquired brand, while simultaneously enabling it to be adjusted (with its global counterpart) as needed. This was considered a more strategic decision for the company, rather than attempting to introduce their global brand from scratch to the Indonesian market.

Besides acquiring local brands, Company A also adapted its global brands at the product-element level (IPA). In one specific case, this took the form of incorporating an Indonesian word into the brand name to help consumers understand the product's taste intuitively. In another, instead of changing the name, the company adapted its packaging, by introducing sachet or strip pack formats, initially as trials before making them permanent offerings.

> *"This [general food product] was trialed [in] sachet [packaging], and now it has a [fully-marketed] sachet version. It turned out that this [product] is widely used by roadside street food vendors, as it would be heavy for them to carry a cart and also bring a larger package [of the product]. But with a sachet, you just throw it away after."* –**Manager 3, Company A**

As the informants noted, the decision to permanently offer sachet packaging was partially influenced by the product's heavy use among street vendors, for whom portability and disposability are especially important. This adaptation reflects a direct response to local demand, given that Indonesia has one of the largest numbers of street vendors in the world, with the figure recorded at 22 million (Anwar and Karno, 2024).

Despite the numerous local adaptations that were made, the company had, at times, also attempted to introduce more globally-driven, product-level initiatives. One example of this could be seen from the adoption of paper straws, which was first introduced by the company's global headquarters for implementation across markets. When this initiative was introduced in Indonesia, however, it was initially met with strong backlash, which in turn pushed the company to deepen its local adaptation.

> *"It turned out there was a lot of backlash. People said [that] the taste became unpleasant because of the paper [material], and many were worried whether it was safe to use ... So we improved the straw. We worked on how to keep it from changing the taste, and keep it from being easily damaged while being used."* **–Manager 2, Company A**

In this case, rather than abandoning the initiative altogether, the informants explained that the paper straw eventually had to be improved in line with what the Indonesian palate perceived as a "neutral taste". In other words, this finding shows that even when global initiatives need to be implemented, Company A often still has to implement some form of local adaptation at the product level, in order for them to be accepted by Indonesian consumers.

Based on these findings, the product-based glocalization practices, identified through their commitment to incorporate two local brands in their portfolio, combined with several IPA adjustments (e.g. brand name, the adoption of sachet packaging), while retaining only limited global elements (e.g. recipe mix), match closest with the high degree of glocalization commitment.

4.1.2 Company A's Marketing-based Glocalization

Based on marketing activities within the promotional mix, the glocalization practice exercised by Company A is identified as locally focused, as reflected in their frequent use of activation campaigns targeting school children (using their two famous specialized food brands). In practice, these campaigns, which the informants referred to as *below-the-line* (experiential marketing to specific consumer segments to drive immediate purchase), are implemented by bringing food trucks to distribute free product samples, combined with physical exercise and sports activities, all of which are designed to align with the products' image to *energize*, by being "rich in nutrition".

> *"Because it [the campaign] fits [the brand's] positioning, [around] energy. If you notice, [the] [brand does not focus on [having] "a [specific] flavor", it is more about energy ... one of the activations we do is school sampling, [which were] done across thousands of schools in Indonesia."* –**Manager 2, Company A**

Besides activation campaigns, Company A also developed province-wide academic competitions, by engaging directly with thousands of schools across the country. As the informants stated, this process began with a mapping stage to identify the potential schools and age groups to target, after which, selected high-performing students were invited to participate.

> *"Naturally, when each school sends students [to participate], the children cannot go alone, so the parents will be there too. Especially when it comes to something related to academic achievement, Indonesian parents are very engaged: "Oh yes, my child is participating in this, how wonderful." And when the activation runs during that event, [the] brand can promote [to the parents].* –**Manager 3, Company A**

The reasoning behind both the activation campaigns and the academic competitions, as the informants revealed, was to reach parents more directly, rather than children. By directing these activities toward the former, the brand was able to communicate how its ingredients could supplement children's nutritional needs to sustain high academic performance. This is particularly important in Indonesia, where parents are highly attentive to their children's academic achievements, and are culturally inclined to involve themselves in efforts to improve them (Yulianti et al., 2019). As a result, Company A's marketing activities are constructed with close attention to the local habits and norms. By creating space for parents to be involved in these activities, the informants noted, their willingness to purchase the product also increases, as they see it as another way to support their child's academic progress.

Another form of marketing-based glocalization identified was indirect promotion through television and social media advertisements, which, instead of following a globally uniform template, was built around local values and consumer habits. One such case involved the use of a locally resonant catchphrase to encourage consumers to check the product's nutritional content, with the campaign timed strategically around Ramadhan to emphasize balanced nutrition during suhoor (the pre-dawn meal consumed before the daily fast), while also responding to Indonesian parents' growing concern over sugar content in consumer products.

> *"Indonesian mothers are becoming more aware of [the risk of] high sugar levels. So [with the campaign], they will check the label, one by one, the products they want to buy for their children ... [These were] done to highlight the low sugar content [in our products]."* –**Manager 2, Company A**

As shown by the data, the campaign was initiated in response to concerns and cultural events that were both specific to the Indonesian market, in addition to also being initiated locally (without needing approval from global headquarters).

Based on the findings, the marketing-based glocalization practices, identified through large-scale activation campaigns, alongside media promotions aligned with the significance of Ramadhan, reflects closest with the high degree of glocalization commitment. Furthermore, as these activities were exercised without requiring the headquarters' approval, they further reinforced the placement within this degree.

4.1.3 Company A's Sales and Distribution-based Glocalization

The sales and distribution-based glocalization practices are identified through the variety of channels used to ensure the products could reach the consumers. As identified across all FMCG companies from the interview data, these channels are divided into three broad categories: General Trade (GT), covering *warungs* and other small shops; Modern Trade (MT) or Key

Accounts (KA), covering supermarkets and grocery retailers; and other complementary channels (e.g. flagship stores, online channels, and others).

First, in response to the limited shop space closely associated with the GT channel (as discussed in Chapter 1), the company developed its own local principle to adapt its sales process.

> *"The focus on warung is [to] achieve our three [sales] principles. One of them [includes X*], [which] means that we make sure that our product is available in every warung, [and] that the product is displayed ... The last one includes [X*], which were done to make sure that the product is also easy for the consumer to reach."* –**Manager 3, Company A**
>
> **Withheld due to confidentiality*

When asked whether these three principles were part of the company's "global guidelines", the informants clearly stated that they "definitely did not originate from headquarters", which is located in a Western country without this specific type of distribution channel. Rather, the principles were initiated locally in response to the demands of the Indonesian market, while also drawing inspiration from other emerging markets such as India.

Besides ensuring products remain reachable within the constraints of smaller *warung* settings, another GT-focused adaptation is the use of sachet-sized products, which were mainly developed for sale through this channel.

> *"Sachets are small, and they can be hung up [in stores] from the packaging side, so when they are distributed to warungs, they are not hard to place, and they do not need a lot of space."*–**Manager 2, Company A**

Another strategic reason for selling sachets through warungs relates to the purchasing power of Indonesian consumers. As the informants noted, sachet packaging allows products to be sold at a lower price point by offering a smaller volume. This aspect is particularly important in an emerging market like Indonesia, where as the informants noted, a significant share of the consumer base falls within the lower-middle income segment.

"*The Asian market, whether we are talking [about] India, the Philippines, or Indonesia, is similar…. [when] talking about purchasing power at a pocket-sized level, [the question is,] how much does a person leave the house with? So when we build a pricing strategy, given that an Indonesian [consumer] leaves home with, say, 20,000 Rupiah, if you sell at 30,000 or even 20,000, people will not bother buying… Regardless of what top-down [global] direction looks like, we [decided to] push through, [based on] the neighborhood provision [pocket-size]"* –**Manager 1, Company A**

Importantly, while GT remains a significant distribution channel, the informants also emphasized the importance of large Indonesian supermarket and minimarket chains (under MT), which follow a more standardized "template" aligned with their global route-to-market practices. Despite being fewer in number than *warungs*, MT remains equally critical to Company A's revenue stream, as partnerships with supermarket groups allow its products to be distributed across multiple outlets within the same retail network.

"Right now, I would say we also rely on Modern Trade, particularly with Alfamart and Indomaret (two Indonesian massive minimarket chains) being the top two. Put simply, if we were to lose both, a large part of sales would be lost. So yes, we [have to]manage [those] relationships [with supermarket chains] carefully."–**Manager 3, Company A**

Based on the interview, both GT and MT remain major priorities for Company A. While *warungs* (GT) provide broader coverage and access to lower-income consumers, particularly in rural areas with limited supermarket and grocery store presence, a substantial share of sales comes from modern minimarket chains (MT). Because of this, Company A glocalizes its distribution by relying on GT and MT as channels that complement each other, rather than prioritizing one over the other. This dual emphasis in Company A's sales and distribution-based glocalization, therefore, aligns closest with the medium degree of glocalization commitment.

Additionally, beyond these two primary channels, Company A also pursued an *Alternative Trade Channel* on a smaller scale. For instance, it sold selected products directly to consumers through company-operated containers in public spaces. This channel, however, was only pursued to a limited extent, and primarily serves to respond to emerging competitors with similar models.

4.1.4 Company A's Regulation-based Glocalization

Regulation-based glocalization is first identified through the company's institutional duality, which, as outlined in Chapter 2, refers to the need for multinational companies to comply with both global and local regulations. For Company A, the interview confirmed how they consistently adhered with the Indonesian mandatory regulations, such as BPOM (Indonesia's Food and Drug Authority) and Halal certification.

Beyond these compliance, however, the company also implemented a distinct form of glocalization in its ingredient sourcing process that created shared value. This can be identified through its partnership initiatives with livestock and plant-based farmers, which align with Porter and Kramer's (2011) concept of shared value creation through the development of supportive industry clusters.

For livestock farmers, the initiatives were carried out through various training programs. These programs were aimed to raise the quality of local farmers' output to the level required by the company's strict sourcing standards (as the informants noted); thereby reducing the need to rely on imported ingredients.

> *"Regarding [livestock] farmers, we have development programs to teach them how to produce good-quality [ingredients X*] ... Like techniques on how to make the animals happier, and when they are happy, the [ingredients X*] quality is better .... [The company] pays quite a high price for this [ingredient X*] compared with competitors. Because of that, although the farmers are not [contractually] tied to our company, they wanted to produce better ingredients*" **–Manager 2, Company A**
>
> **Withheld due to confidentiality*

Subsequently, because the company also holds equally high sourcing requirements for plant-based ingredients, it also extends the same training programs to plant-based farmers.

> *"When we sell this [plant-based] product, it must be responsibly sourced. One of the ways [we] controls this is through [X*] practice ... and because of that, we need to be able to empower our farmers to be aware [and comply with] this [standard]. So, the global requirements are very strict, [but] these local farmers have to follow them."* –**Manager 1, Company A**
>
> **Withheld due to confidentiality*

In this sense, the regulation-based glocalization exercised by Company A through these farmer initiatives is not driven purely by mandatory local compliance, as the Indonesian regulatory system does not impose any import restrictions for FMCG companies. Rather, it reflects a deliberate effort to generate shared value, by applying a localized adaptation of the company's global standards. In other words, while the company consistently adheres to both global and local regulations, in the absence of a specific local requirement, it heavily adapts its global standards to fit the local context that supports their competitiveness; while simultaneously contributing to the local community. Based on these findings, Company A's regulation-based glocalization aligns closest with a high degree of commitment.

Additionally, although not explicitly stated by the informants, these initiatives also created other value. Under the Indonesian Government Regulation concerning Industrial Empowerment (PP No. 29 of 2018), state-owned enterprises and government-affiliated institutions are required to procure goods only from suppliers that meet a local content threshold (TKDN) of at least 40%. By building a locally sourced supply chain, Company A's initiatives indirectly position their products to qualify for government tenders, which creates partnership value beyond mandatory compliance alone.

4.2 Company B

Company B is a multinational FMCG firm that has operated in Indonesia for more than 30 years. Unlike other companies in this research, it operates as a franchise rather than a subsidiary. Based on the interviews, Company B manages a global portfolio that specifically focuses on personal care products across eleven broad categories. A unique finding identified in the interview also revealed, while the brand occupies a "mass consumer" positioning in the Western markets, its presence in Indonesia is perceived differently, in what the informants referred to as occupying the "mass prestige" segment.

The following table summarizes Company B's degree of glocalization commitment across the four practice areas, based on the exploratory analysis presented in the subsequent sections.

Table 7. Company B's Degree of Glocalization Commitment across Each Practices

Glocalization Practices: Company B	**Commitment Level**
Product-based Glocalization	Low
Marketing-based Glocalization	High
Sales and Distribution-based Glocalization	Medium
Regulation-based Glocalization	High

4.2.1 Company B's Product-based Glocalization

Based on the interview, Company B did not possess a single product created specifically for the Indonesian market. As the informants stated, this is largely influenced by the company's presence in Indonesia as a franchise, or in other words, did not become part of the global corporate entity (despite them operating as subsidiaries in some other countries).

> *"When we want to source a product, the headquarters sends us an "offer", which includes documents describing what the product will be like, such as its benefits and*

ingredients. We then decide, for example, that we want to review the full range being offered, and we request samples first ... The product team then circulates them, to help determine whether we will incorporate the product [into our portfolio] or not. After we decide, we request the quantity and it gets shipped to Indonesia.” **–Manager 2, Company B**

As a result of this structure, as the informants noted, every product is manufactured centrally, which are distributed across multiple franchise markets they operate. The Indonesian team’s autonomy, therefore, is limited to deciding which products to import into the local market. Despite how limiting the franchise structure might appear, it also gave the local team considerable freedom; especially, when deciding which products should (or should not) be launched in Indonesia, without having to follow each of the company’s global initiatives.

As the local team could only import products instead of producing them locally, the scope for IPA product adaptation became limited to only those seen as “necessary”. That said, the company still shows minor product adaptation through product labeling, such as the use of Bahasa Indonesia in product composition details. In practice, these adjustments are mainly exercised through attaching labels and stickers on top of their existing product packaging, to ensure the product's readability for Indonesian consumers.

“We were not allowed to repackage. We received them [the product] as they were, and the only thing we could do is add extras ... [by] overlay stickers, [which] covers certain names on top of the [existing] packaging ... It was like when you buy imported products in a local store, and they have an overlay sticker attached. We would attach Indonesian language ingredient stickers and whatever else [is] required.” **–Manager 1, Company B**

This limited ability to modify packaging also carries its own risks. Based on the interview, the informants recalled past instances in which products arrived with physical defects, such as leaking or dented containers, that the local team could not address directly.

“Previously, some bottles did come out flattened, dented, or leaking. This is because when shipping, [our] products are sealed only with masking tape and paper, while other [companies’] brands wrap theirs in additional plastic. At first, we [have to]

accept that as part of our risk, and give replacements for the customers. But after several rounds of adjustments by our distribution team, we have now reached a phase where we know how to ship safely." **–Manager 2, Company B**

Because of the limited IPA-based product adaptation available to the local team, the only adjustment they can make is to work closely with the distribution team, in order to ensure careful handling during product shipping (instead of addressing the issues through design changes). Based on these findings, where IPA-based adaptation is kept to the minimum with no additional products created specifically for the local market, Company B's product-based glocalization practices align closest with a low degree of commitment.

4.2.2 Company B's Marketing-based Glocalization

The marketing-based glocalization practices exercised by Company B can be identified through multiple initiatives specifically adapted to the local market. One of the clearest examples involved the creation of product bundles, in the form of hampers or gift parcels; a practice deeply associated with Eid Al-Fitr gifting culture in Indonesia.

"Gift products are one of [the company's] strongest and top-selling categories, especially for Ramadhan and birthdays ... We designed the bundling ourselves, although it still had to be approved by [the] global [headquarters] ... for example, pairing [Product X] with [Product Y*] into a travel gift set ... We had quite a lot of freedom in [bundling] gifts, so we adjusted the grouping based on what customers needed during that campaign period."* **–Manager 1, Company B**

**Withheld due to confidentiality*

The reasoning behind this bundling practice, as the informants noted, was the need to stay relevant within Indonesia's specific cultural and consumer context, where such practices have proven to drive purchases significantly. Besides the interview, this practice also remains highly relevant within modern Indonesian culture, as shown by Rizaty's (2022) survey, which found that 83.7% of Indonesian respondents intended to send gift parcels during Eid al-Fitr, whether to family members or work colleagues.

The second promotional mix activities exercised by Company B involved giving away free product samples to consumers, usually in smaller-sized quantities.

> *"After people made a purchase [of certain products], we wanted to include the free samples [of] other products. That is the common strategy ... [to] give extra [products] so customers can try something new, and then come back to buy the full product. So the idea of sampling was something we pursued to [the] global [headquarters]."* **–Manager 1, Company B**

At face value, this activity could be interpreted as a form of standardization, given how it could be implemented across FMCG companies irrespective of the market. The interview data, however, clarified the reasoning behind its practice, which was linked to the company's inability to offer products in sachet packaging. Free sampling through smaller packages, despite requiring negotiation with the global team and generating no revenue, therefore served as substitutes for sachets, and is utilized to boost product awareness among local consumers.

The third promotional mix activity involves the heavy use of Key Opinion Leader (KOL) marketing, through which the company collaborates with celebrities and public figures in Indonesia. In this practice, the local team holds full autonomy to identify and propose candidates based on their relevance to the Indonesian market, with global headquarters only setting the baseline criteria, such as requiring the figure to reflect the brand's values.

> *"For example, we once used [celebrity X*] as a brand ambassador. [The reasoning] is that she is actually very smart, cared deeply about the environment, and had been quite activist-oriented during her university years."* **–Manager 1, Company B**
>
> **Withheld due to confidentiality*

This local autonomy, notably, extends beyond the selection of KOLs, as it also applies to key assets across various marketing materials, such as promotional banners and campaign visuals. In this case, the local team is given complete freedom to conduct its own photoshoots using Indonesian models and replace visuals independently.

> *"We always emphasized that, for Indonesia, certain things absolutely had to be adjusted. ... We found that if you used only global posters with Western faces, people*

> *saw the brand as too distant and not reachable enough. [The company] is a rather free-spirited and activist-oriented brand, so we still had to keep those elements, but we adjusted the photoshoots locally.”* **–Manager 1, Company B**

The reasoning behind both practices, as the informants noted, comes from the way Indonesian consumers place greater trust in familiar local figures. Through them, consumers have a clearer sense of what the brand represents, unlike global figures with whom they have little connection with. At the same time, the use of local figures whose values align with the brand also help communicate those values more convincingly, as the KOLs themselves come to function as a natural extension of the brand. This is particularly important in digital campaigns, as Indonesia’s digital ecosystem demands foreign brands to build trust with local audiences to drive engagement (Aryo, 2026), rather than relying on promoting other values (e.g. premium positioning).

Based on these findings, the marketing-based glocalization practices, identified through product bundling initiatives aligned with Ramadhan, alongside the heavy use of KOL marketing, reflects closest with the high degree of glocalization commitment. This position is further strengthened by the informants, who emphasized that in every campaign, even when the headquarters provides a standardized “template”, those very templates have to be adjusted for the Indonesian context; at minimum in terms of timing (e.g. converting four-season campaigns to two-seasons in Indonesia).

4.2.3 Company B’s Sales and Distribution-based Glocalization

The interview data showed how Company B’s sales and distribution-based glocalization concentrates in more standardized channels, through its own flagship stores across various cities in Indonesia, alongside modern trade (MT) channels such as department stores and online platforms. Unlike the other case companies, Company B does not operate through general trade (GT) channels such as *warungs*.

Regarding their flagship stores, which make up a large portion of the company’s distribution channels, the informants stated how the stores' design is largely standardized, which includes their layout, color tone, and furniture. Despite this, the local team implemented several adaptations, which primarily focused on the in-store customer experience. The first of these involved adjusting staff appearance standards, with an emphasis on formal and polished presentation through uniforms, makeup, and hair styling.

> *"To project a professional image for the staff, we standardized [the] grooming quite heavily ... The idea was that, if [the] staff looked neat and polished, customers would trust them more in recommending [the] products to buy ... This was not even something we formally sought [global headquarters] approval for. We just set our own standards because they fit [the] Indonesian market."* –**Manager 1, Company B**

The reasoning behind this adjustment, as the informants noted, came from the differences in the company's brand positioning. In Indonesia, due to its lower purchasing power, the brand is perceived as "mass prestige" (as previously noted in Section 4.2), rather than the "mass consumer" positioning perceived in the Western markets. As a result, staff appearance standards in Indonesia were shaped toward a more formal and polished style, more closely associated with premium brands. This contrasts with the company's stores across Western markets, where staff presentation tends to be more informal and strongly oriented toward individual expression.

The second adaptation developed by the local team involved integrating upselling skills into staff training, alongside product knowledge training, to encourage customers' spending beyond what they initially intended. This experience was further enhanced by various in-store services specific to Indonesia, which are absent from the company's stores in Western markets.

> *"We trained the staff very thoroughly. The idea was that a customer coming in wanting to buy one item could walk out with five. That was really the [brand's] core strength."* –**Manager 1, Company B**

> *"We were ahead of other markets in introducing certain in-store services ... In our stores, we had [X* and Y*] services. We also shared [these] best practices to [the] global [headquarters], showing that [the] service increases both the minimum purchase value and the average transaction value."* –**Manager 2, Company B**

> **Withheld due to confidentiality*

The reasoning behind both adaptations, as the informants noted, was to deepen the quality of staff-to-customer interaction, in terms of how far the conversation could go, and the range of services that could be offered; both intended to increase purchase intent. This finding aligns with broader evidence from the Indonesian retail context, where Dewanti et al. (2011) found that personalized, face-to-face service became a significant driver of trust and purchase behavior among consumers.

Besides their flagship stores, the informants also noted that the modern trade (MT) channel represents another significant source of revenue. Within the MT channel, the approach mirrors the company's global sales process, by focusing on distributing products across various department store chains. Despite that, the local team remained selective in deciding which chains to pursue, with particular focus on those perceived as "middle- to high-end".

> *"[X and Y*, higher-end department stores*] and other similar store placements have been implemented around for quite a while. What did not work was [Z*, lower-end retail stores] which saw sales that did not perform very well ... [So], whenever we distribute our products to department stores, we prefer places like [X, higher-end department store], where you could additionally have your own staff to serve customers."* –**Manager 1, Company B**
>
> **Withheld due to confidentiality*

The decision to limit its MT channels also connects to the brand's "mass prestige" positioning specific to the Indonesian market, which meant that they had to enter retail chains with similar middle- to high-end image, or prioritize stores that allowed staff placement to encourage purchases. This became evident after earlier attempts to enter more "lower-end" retail stores proved commercially unsuccessful.

In addition to these two channels, Company B also sold its products through a mobile app developed specifically for the Indonesian market. This initiative was fully developed by the local team to simplify customers' shopping experience and allow them to accumulate membership points.

> *"We built the [mobile] app ourselves. Surprisingly, [the] global [headquarters] did not share many resources, only guidelines … Often, we were already moving on our own as if this were our own business. Many times, we were thinking ahead of them [the global headquarters]. After we had already built this [app], they [global headquarters] came with initiatives of their own."* –**Manager 1, Company B**

The reasoning behind this, as the informants noted, was due to the local team's awareness of Indonesia's rapidly growing e-commerce landscape (as noted in Chapter 1), which, despite the lack of direction from global headquarters, was important to respond in order to remain competitive. As such, the local team proceeded with this initiative independently.

Overall, Company B's sales and distribution channels reflect a combination of global standardization and local adaptation. On one hand, the company largely retained its global sales model, particularly through its modern trade (MT) and flagship store channels. However, because it chose to retain this standardized model, while operating with a different brand positioning in Indonesia, the model had to be adapted to give the brand a more "premium" image. In this case, the adaptation took the form of adjustments of staff appearance standards and training, alongside added in-store services.

Based on these findings, together with its use of other channels prominent in Indonesia (such as e-commerce, through its mobile app), the Company B's sales and distribution-based glocalization practices align closest with a medium degree of commitment.

4.2.4 Company B's Regulation-based Glocalization

The first regulation-based glocalization involved Company B's effort to obtain Indonesian Halal certification for its products, a process that, as the informants revealed, required the local team to overcome several forms of resistance. The first came from the global side, which initially wanted to maintain a "neutral brand identity", within which Halal certification was seen as carrying religious associations. The second involved overseas manufacturing, which required the cost-intensive process of sending Indonesian certification bodies to inspect factory ingredients and production processes.

"[The company] did not want to associate itself with any particular religion, so when Halal became compulsory, it felt like, "How are we going to survive?". In Indonesia, we ended up advocating strongly for it. We even made a deck [presentation], arguing that Halal was considered as "part of hygiene" that we needed ... We really tried to convince [the] global [team] that this was [a] make-or-break [situation], with the risk of losing [the] ability to sell effectively" –**Manager 1, Company B**

The reasoning behind this Halal certification push, as the informants noted, extends beyond commercial intent. While the team argued that the absence of such certifications could lead to customer loss, they also emphasized its alignment with what the Indonesian consumers perceived as hygienic. These arguments gradually brought the headquarters on board, and the process was followed through. At the same time, due to its cost-intensive process, the certification could only be pursued for selected products categories.

Despite the Halal requirements being pursued only to a limited extent, the interviews also identified a distinct regulation-based glocalization, through the company's effort to co-develop refill station standards with BPOM (Indonesia's National Food and Drug Authority). This initiative aligned with Porter and Kramer's (2011) concept of shared value creation, which, in this case, was exercised through the method of reconceiving markets (see: Section 2.2.4).

"We have it [refill stations] in multiple stores across Java [island]. Before launching them, we went through a process with BPOM, because it turned out that they did not have regulations for these stations. So, we discussed with them to determine what the appropriate measurement [should] include, to ensure the products were hygienic and safe for customers ... for example, [X]."* –**Manager 2, Company B**

**Withheld due to confidentiality*

This initiative eventually proved valuable for the broader Indonesian regulatory landscape, as the co-developed standards were later formalized into a permanent regulation, and became a reference point for other FMCG brands introducing refill stations in the market.

Overall, the regulation-based glocalization exercised by Company B required careful analysis. This is because, while mandatory requirements such as Halal certification were only pursued across a limited number of products, the company also adapted their global standards locally to generate shared value, instead of abandoning the initiatives altogether. Based on these findings, Company B's regulation-based glocalization aligns closest with a high degree of commitment, although it should be interpreted as a special-case scenario.

4.3 Company C

Company C is a multinational FMCG firm that has operated in Indonesia for more than 20 years. Based on the interview, the company differs from others by having two separate organizational entities (one for specialized food, and another for general food products), each operating with a different name. Due to differences in operational scope and organizational structure, this research strictly focuses on the specialized food entity, where they manage three brands focused on health-focused benefits. Additionally, the company also operates multiple production facilities across Indonesia.

The following table summarizes Company C's degree of glocalization commitment across the four practice areas, based on the exploratory analysis presented in the subsequent sections.

Table 8. Company C's Degree of Glocalization Commitment across Each Practices

Glocalization Practices: Company C	**Commitment Level**
Product-based Glocalization	Medium
Marketing-based Glocalization	Medium
Sales and Distribution-based Glocalization	Low
Regulation-based Glocalization	Low

4.3.1 Company C's Product-based Glocalization

The first product-based glocalization practice in Company C can be identified through its decision to acquire a legacy brand in Indonesia decades ago, which has since been integrated into their product portfolio. This practice, however, remains a one-time occurrence, as the company did not pursue further acquisitions for other local brands.

> *"[Local brand X*] was originally a standalone Indonesian company, a [specialized food] brand that was created in Indonesia, but it was acquired by us".* –**Specialist 1, Company C**
>
> *"For [Local brand X*], we emphasize local values [that] looks like this: "This is a [health-focused] product for Indonesian children, that supports the growth of Indonesian children."* –**Specialist 2, Company C**
>
> **Withheld due to confidentiality*

The reasoning for this acquisition, as the informants noted, was to ensure that the company had an established foothold in the Indonesian market during their point of entry. In other words, by purchasing a local brand with decades of strong reputation, Company C was able to build trust among Indonesian consumers, which made it easier to later introduce their global product lines.

Following their successful acquisition, Company C gradually introduced its global brands with the same product type (health-focused specialized food), into the Indonesian market. As these brands entered the market, however, the company found that some required considerable adjustment in taste, especially for its middle-to-high premium brand.

> *"For example, with [Product Y*], if we want to make sure the ingredients contained higher nutritional value, for example by raising the [content of X*], which is scientifically known to support [certain health benefits*], the change of taste would be felt. If there is too much [content of X*], the taste is unpleasant ... So we have to adjust it accordingly, [with] many factors considered."* –**Manager 1, Company C**
>
> **Withheld due to confidentiality*

The reasoning behind this adaptation, as the informants noted, was to capture the demands of local consumers, particularly those in the middle- to high-income segment, who sought specific health benefits not emphasized in the Western variants. At the same time, adjusting these nutrition-rich ingredients altered the product's taste, which then required further changes to the additives to fit the Indonesian consumers' palate.

Besides these specific ingredient-level adaptations, other forms of IPA were made to a minimal extent. Based on the interview, the informants noted that only the packaging language and sizes were adjusted locally, while the product name and design remained standardized across markets.

> *"In Indonesia, the brand name and [its] proposition is actually the same ... From a product perspective, the color and tonality are also similar."* –**Manager 1, Company C**

> *"In small neighborhood shops [warungs], [we have] the trial pack, a small entry-level size pack of 150 grams. ... The sachet format is being considered, but has not been pursued compared to local competitors."* –**Specialist 2, Company C**

The reasoning behind this practice, as the informants stated, was largely to preserve a standardized brand identity, as the product caters to the same middle- to high-income consumer segment in Indonesia as it does in its global markets. Adaptation, in this case, could only be implemented minimally, through the inclusion of smaller "trial-size" packaging sold to *warungs*, aimed at consumers seeking a smaller size (e.g. 150 grams) before committing to purchase a larger one. A full sachet format, however, still required further consideration, as the informants noted that it could risk diluting the brand's "premium" identity. In other words, the trial pack improved accessibility, without making consumers perceive it as a "lower quality" product.

Based on these findings, the product-based glocalization practices, identified through the standardization of most IPA components, including name, design, and brand proposition, combined with some adaptation in taste and product size, alongside the existence of one local brand, align closest with a medium degree of glocalization commitment.

Additionally, the interview revealed the existence of products that fall outside the company's regular SKU list, and are sold to healthcare institutions (e.g. hospitals), rather than the general public. The balance between standardization and adaptation for these products, however, could not be disclosed due to data sensitivity, and was therefore excluded for assessing the degree of product-based glocalization commitment.

4.3.2 Company C's Marketing-based Glocalization

The marketing-based glocalization practices exercised by Company C involved both localized and standardized initiatives, with most of the former falling under what the informants referred to as downstream marketing (execution-focused), which includes, among others, recurring activation campaigns.

> *"They [activation campaigns] are very large. There is at least one [held] every month that we have to deliver. The activities involved are not just [including] small-scaled competitions, but [also] coloring contests, fashion shows, or what is even part of the trend right now [about] fun runs or fun walks. An activation can also be a large-scale promotion at certain events."*–**Specialist 2, Company C**

The reasoning behind these campaigns, as the informants stated, was to strengthen brand awareness while also gathering consumer feedback. Adaptation through local events, such as the rapidly growing fun-run trend in Indonesia (Taufik, 2025), were therefore viewed as an effective way to build such awareness.

Besides activation campaigns, other locally adapted activities also appeared in Company C's above-the-line initiatives, such as the use of Key Opinion Leaders (KOLs) and collaborations with Indonesian movies, where in both cases, the selections were made deliberately to choose those that carried the same, family-oriented associations as the brand.

> *"For a [Brand A*] TV commercials, we obviously cannot use the same brand ambassador as [the] global [headquarters]. In Indonesia, we chose [Celebrity X*], as she is a good example of a motherly figure with [a] royal [luxurious] lifestyle ... [therefore] she is very relevant, as the brand itself is positioned as super premium."*
> –**Manager 1, Company C**

> *"We collaborated with [Movie Y*] for [Brand B*], and created the merchandise [for it]. That is something we did not do in other markets."* –**Specialist 1, Company C**
>
> **Withheld due to confidentiality*

The reasoning behind this selection, as the informants noted, was to make the brand feel culturally fitting to local consumers. In this sense, selecting both the KOLs and movies for their family-oriented associations allowed them to function as an extension of the brand (similar to Company B), in a market that strongly responds to such values; an emphasis which, as the informants noted, were not explored to the same extent across the company's operations in Western markets.

Despite the locally adapted initiatives mentioned above, a large part of Company C's marketing initiatives remains globally standardized, due to their focus on selling health-related food products. This is especially evident in how the company markets its products to one of its key target groups: healthcare professionals.

> *"We partnered with [several organizations*] to hold webinars that brought together healthcare professionals across their networks. In those webinars, we provided educational content, while [also] introducing our products. We began from the their perspective, by explaining the nutritional needs of [certain customer groups*]. From there, we presented products that were designed to meet those needs, in line with professional recommendations."* –**Specialist 1, Company C**
>
> **Withheld due to confidentiality*

The reasoning behind this standardized approach, as the informants emphasized, came from the strict regulations governing the company's health-focused products, which meant that promotional activities had to focus primarily on education rather than direct promotion. As a result, the promotional formats available became limited; mostly to those that allowed healthcare professionals to remain objective in their assessments.

In addition to the marketing constraints for specific customer groups, certain health-related messaging also had to be standardized, in line with the company's global policy. For example, one of Company C's global brands was required to deliver the same health benefit proposition (e.g. health benefit Y) across markets, even though this was perceived as misaligned with Indonesian consumer preferences, which placed greater emphasis on other health benefits (e.g. health benefit X).

> *"For the super premium consumers in Indonesia, they are very responsive to [certain health benefits X*], which revolves around the ingredient [XX*]. [However], this differs from the brand's global brand identity, which stated that the main health benefit includes [benefit Y*], and [the] global [team] insists that we must also use [benefit Y*] as our core proposition, not as a secondary one, even in Indonesia. That is where the clash lies, because [health benefit X*] is not fully compatible with [benefit Y*]."* –**Manager 1, Company C**
>
> **Withheld due to confidentiality*

In order to resolve this mismatch, therefore, the marketing message had to also emphasize the same, exact health benefit aligned with the global proposition, with other complementary benefits being positioned as an added message; similar to the product-based glocalization, where additional ingredients were added without replacing the main ingredients altogether (as mentioned in 4.3.1).

> *"From then until now, the global core proposition is [health benefit Y*]. That is non-negotiable. From there, we could add details, [such as], "With the addition of [health benefit X*]". But the reality is that, we all deliver the main proposition, despite knowing that it does not actually match our consumer profile very well."* –**Manager 1, Company C**
>
> **Withheld due to confidentiality*

Based on the findings, the marketing-based glocalization practices, identified through recurring activation campaigns, alongside KOLs and partnerships emphasizing family-oriented values, combined with standardized initiatives for healthcare professionals and through health-related messaging, align closest with a medium degree of commitment.

Additionally, the analysis shows that the medium degree reflects the company's practical limit, as their health-focused products, characterized by the need to adhere to global regulations, constrains how far their marketing practices could be localized.

4.3.3 Company C's Sales and Distribution-based Glocalization

Based on the interview, Company C's sales and distribution-based glocalization leans more toward standardization, as the company prioritizes the modern trade (MT) channels aligned with its global operations, such as large supermarket chains, specialized supermarkets (for health products), and pharmacies.

> *"[An] effective [distribution] channel for selling our products includes pharmacies … but looking at the overall picture across all [of the company's] channels, the biggest sales driver was Key Accounts, or what could be included in Modern Trade [channel]. [In] places like [X*, supermarket chain for health products], the sales were much stronger there."* –**Specialist 1, Company C**
>
> **Withheld due to confidentiality*

This priority, as the informants noted, was closely linked to the product's positioning as a premium, health-focused specialized food, which limits its suitability for *warungs* and other small shops serving consumers with lower purchasing power (except for small, trial-size packs with marginal sales contribution). In other words, to compensate for their limited presence in GT channels, the company focused on maximizing its standardized MT channels.

Besides its primary focus on modern trade, Company C also utilizes a globally standardized alternative channel through direct sales to hospitals. In practice, the company assigns representatives as contact points to manage orders from various hospitals. This channel, however, only serves as an additional source of revenue.

> *"Usually, the hospital workers, whose patients need our products, would coordinate with us. We would [then] confirm how much they wanted to order, because these products were [categorized] outside our regular SKU list … Essentially, [we] had a*

> *dedicated PIC [person-in-charge] for each of these hospital consumers."* **-Specialist 1, Company C**

The reasoning behind this practice, as the informants stated, was due to the existence of certain product lines outside the regular SKU, with ingredients approved only for use through doctors' prescription. This meant that they could only be sold to hospitals or other related healthcare institutions for specific use (as noted in 4.3.1), and therefore, required a standardized channel aligned with the company's global practices to ensure compliance.

Aside from their largely standardized distribution channels through modern trade and hospital-focused initiatives, Company C also adapts its sales to a certain extent; mainly through the usage of Indonesian e-commerce platforms.

> *"We have introduced a 30-kilogram box containing multiple packages of products for some of our brands. That large format was sold exclusively through Indonesian e-commerce and was [later] replicated in other [global] markets."*–**Manager 1, Company C**

The e-commerce distribution, as exercised by Company C, was created to capture demands from Indonesian consumers in the middle- to high-income bracket, who tend to purchase these products in larger quantities (due to the convenience of home delivery). Notably, this local initiative was also recognized by the global team, and was later replicated in other markets.

Based on the findings, the sales and distribution-based glocalization practices, identified through the company's reliance on standardized channels, including MT and key accounts (specialized health-focused grocery stores), alongside hospital-focused initiatives, with *warungs* and other local channels (e-commerce) pursued only to a limited extent, align closest with a low degree of commitment.

4.3.4 Company C's Regulation-based Glocalization

In the case of Company C, the interview findings showed how they thoroughly complied with multiple regulatory requirements, including Indonesia's BPOM standards and Halal certification.

In terms of the latter, however, the company had previously encountered challenges that led them to shift certain imported products to local production.

> *"For example, [in] the [Country X*], the products [they] created were already classified as Halal and Certified by them [Country X*], but the nature of that certification might not align with the Halal standards recognized by the Indonesian government, which has happened in one of our products. The result was that we had to stop the imports … [and] produce it locally."* –**Manager 1, Company C**
>
> **Withheld due to confidentiality*

The reasoning behind these shifts, as the informants noted, was due to the difficulty of finding overseas factories that both met Indonesian Halal certification standards and remained financially viable for imports; a combination of traits they described as "finding a needle in a haystack". Because full compliance with Indonesian regulations, specifically on Halal certification, was viewed as "non-negotiable", local production became the solution that they eventually pursued.

Beyond those local mandatory regulations, however, the interviews showed how they prioritized their global compliance with higher emphasis. This was stated by the informants, who described how strict their global regulations were enforced; with frequent, international-level audits conducted on local retailers and key accounts.

> *"Global [headquarters] has its own standards, [and] occasionally, some of them will visit our stores (stores where our products circulate), such as pharmacies or [X*, a large Indonesian specialized supermarket]."* –**Specialist 2, Company C**
>
> *"The reason we need to comply this much with global standards is possibly because [the] products we sell are [specialized food products*] … Because there would probably be a lot more room for local adjustment if the product were something like X [mentioning other brands, general food products]."* **–Specialist 1, Company C**
>
> **Withheld due to confidentiality*

The strong prioritization on global compliance, down to micro-level initiatives (e.g. retail store visits) was largely shaped by the specialized and health-focused nature of their products. In other words, this meant that compliance with global standards, whether set by the company's headquarters, or through international regulatory bodies, took precedence over local regulatory adaptation; especially when determining how their products could be sold and marketed.

Based on these findings, the regulation-based glocalization practices, identified through fulfillment of local regulations mainly for compliance purposes, alongside stronger emphasis on standardized global regulations, aligns closest with a low degree of commitment.

4.4 Company D

Company D is a multinational FMCG firm that has operated in Indonesia for almost a century, with origins dating back to the Dutch colonial period before Indonesia's independence. It adopted its current name in the 1980s, during the major wave of foreign companies entering the Indonesian market (as discussed in Chapter 1). Based on the interview, the company operates numerous production facilities across Indonesia, and is the only one, among the four companies, to operate across three product categories: general food, personal care, and household care.

The following table summarizes Company D's degree of glocalization commitment across the four practice areas, based on the exploratory analysis presented in the subsequent sections.

Table 9. Company D's Degree of Glocalization Commitment across Each Practices

Glocalization Practices: Company D	**Commitment Level**
Product-based Glocalization	High
Marketing-based Glocalization	High
Sales and Distribution-based Glocalization	High
Regulation-based Glocalization	Medium

4.4.1 Company D's Product-based Glocalization

The first product-based glocalization practice identified in Company D was the acquisition of established Indonesian brands, which informants referred to as "local jewels". These were originally standalone local brands that, once acquired, were adjusted through IPA, such as by changing specific ingredients aligning with the company's global standards, before being integrated into its broader portfolio.

> *"Several decades ago, there were multiple well-known local brands .... Which were not originally ours [the company's portfolio], and during that period, we [the company] actively acquired them ... This includes [Brands X and Y*, plant-based general food], then [Brand Z*, fruit-based general food], as well as others."* **–Manager 1, Company D**
>
> **Withheld due to confidentiality*

As the informants noted, the company pursued this practice repeatedly, acquiring more than five local brands to leverage the trust already attached to them (and secure established market foothold), during the early years of its corporate rebranding. Notably, these brands were not marketed outside Indonesia, and remained tailored to local preferences, such as Indonesian palate preferences.

Besides acquiring local brands, the informants also noted how the company actively developed new product variants to cater to local demand. One clear example includes the creation of a local variant for one of their globally established personal care brands, which incorporated ingredients derived from a specific tree aligning with Islamic hygiene practices commonly exercised by Indonesians.

> *"The core global USP [Unique Selling Proposition] of [Brand X*] is standardized across markets, [which] focused on clinical protection [and] hygiene. But when brought to Indonesia, Indonesians want that fresh, clean feeling instead of just for hygienic purposes ... That is why [Brand X*] has a variant that only exists in Indonesia ...which incorporate local wisdom, [from] the traditional practice of using*

a natural ingredient derived from the X tree, used across Muslim communities. The core product stays the same and [therefore] cannot be changed, but when it comes to product variants, there is still local influence at play."* **–Manager 1, Company D**

**Withheld due to confidentiality*

Besides creating local variants for their "established brands", the informants also noted that several brands classified as "non-priority" were given more freedom to adapt locally, with some requiring little to no approval from global headquarters. One example involved a product (referred to here as Product XY*), which used a specific base oil not commonly used in their global product lineup.

"The product is diversified and created [as] new variants ... For instance, [by using] a base oil like [X] that is considered fully safe [and] allowed in Indonesia, [even] though internally it is categorized as what we would call an "alarming" ingredient. Not exactly a red flag, but not a green light either ... And all of its R&D and production were developed locally."***–Manager 1, Company D**

**Withheld due to confidentiality*

As the informants noted, the development of these new product variants was driven by locally observed consumer preferences for ingredients perceived as beneficial; whether it is linked to the country's Muslim-majority culture (in the use of ingredients derived from a specific tree), or to broader Indonesian traditional practices (in the use of a specific base oil).

Notably, these adaptations were implemented in line with Indonesian regulations that deemed those ingredients "fully safe" for use; despite those being internally classified as "alarming" (elaborated in subsection 4.4.4). As the informants noted, this was influenced by the company's focus on responding to local demands, with relevant opportunities treated as ones that warranted careful assessment.

Besides ingredients reformulation, Company D also adapts its packaging sizes to meet the local demands; through the introduction of sachet and other smaller pack formats across many of its product lines.

> *"In terms of ideal planning, portion size is related to sales distribution. For example, [Brand XY*] has sizes [ranging] from 100m to 600ml, with 600ml being the largest. The smaller portion sizes are distributed to GT [warungs], the medium size, around 400ml, goes to MT [supermarkets and minimarkets] ... While the larger sizes are usually for e-commerce, because the typical consumer there tends to buy in bulk."* –**Manager 1, Company D**

> *"Products like [X*] or [Y*] also have smaller pouch formats, but they are not as prominent as sachets; Unfortunately, that is the market condition ... Beyond purchasing power, a unique fact is that the Indonesian market still largely operates on wages paid daily or weekly, so purchasing power is not just about the amount, but also the frequency and timing of when consumers receive their wages."* –**Manager 3, Company D**

The reasoning behind this packaging adaptation, as the informants stated, was to align product offerings with the economic realities of Indonesian consumers, especially lower-income segments primarily served by *warungs*. In this regard, the informants pointed out that many Indonesian consumers receive income on a daily or weekly basis, a condition that aligns with Malikhah's (2026) report, which showed that 57.7% of Indonesians still work in informal sectors (e.g. freelance or gig workers). As the purchasing capability of informal workers became limited to the cash available at a given time, keeping the product as affordable as possible became the company's main priority.

Based on these findings, Company D's product-based glocalization practices, identified through the acquisition of numerous legacy brands (exceeding other case companies in this research), combined with multiple adaptations in product variants and packaging, aligns closest with a high degree of commitment.

4.4.2 Company D's Marketing-based Glocalization

The marketing-based glocalization practices were first identified through locally adapted initiatives developed for the Indonesian market, based on umbrella campaigns provided by the global team. This adaptation focused on execution, but with a large degree of freedom; for example, in selecting which initiatives to pursue, or which organizations to collaborate with. A notable example of this occurred during a certain global sports event; where the campaign was localised in Indonesia, through collaborations with one of Indonesia's national sports teams.

> *"During that [global sports event*] period, the global [headquarters'] brand team wanted to champion [X sport*] across the world. That was adapted locally. For instance, while the campaign was big, Indonesia at the time also had its own [X sport matches*], So we had to step into that [campaign] ... So the umbrella campaign comes from the global team, but when it reaches the local level, that idea is adapted, and the execution is left to the local team."* –**Manager 1, Company D**
>
> **Withheld due to confidentiality*

The reasoning behind this adaptation, as the informants noted, was to preserve the global theme while emphasizing local elements that increase familiarity among consumers. In this case, the standardized component included the usage of the same sport, while the overall execution was fully adapted to the Indonesian market.

Besides the freedom to select collaboration partners, other forms of localized marketing include the use of television advertising, particularly for lower-end products sold through *warungs*.

> *"As a producer, when you want to get your product into warungs, it is difficult without TV advertising, because the warung owners rely on TV to learn about your product and brand. We have a concept called sell-in and sell-out; sell-in is [about] how we sell to the distributor, who then sells to the warungs, [whereas] sell-out is [about] how the products could be sold, from the shop to the consumer. TV [advertising] is effective for driving sell-in, because the sellers are the ones who need to know the product; the end consumer does not necessarily have to know it first. Once the warung owner is aware of the product, they stock it, and consumers then become aware simply by seeing it available in the shop."*–**Manager 1, Company D**

The reliance on television advertising, as the informants noted, reflects the everyday realities in Indonesia, where *warung* owners often learn about new products by watching TV while waiting for customers (see: Appendix D). Since most television channels are free-to-air (Asia Video Industry Association, 2019), with very few *warung* owners having access to Wi-Fi, TV remains one the most accessible medium to build awareness.

Besides the heavy use of localized campaigns described, some brands such as XY* (the same brand discussed in Section 4.4.1), in addition to being given autonomy to adjust its products through IPA, were also granted the same degree of freedom in marketing. This gave the local marketing team an advantage, as they were then able to implement more radical and untested activities that had never been pursued globally. In this case, the initiative took the form of e-commerce and digital marketing campaigns, which includes the creation of a TikTok account for the XY* brand; the first of its kind within the company (globally).

> *"Since [Brand XY*] was given full autonomy, it was essentially treated as an experimental space. Any radical ideas could be implemented without global approval. At the time, in 2022, none of the company's brands were on TikTok, even though we knew Indonesians were using TikTok heavily for shopping ... Seeing that, especially in that era, there was already so much "TikTok made me buy it" content, we knew the market was responding well. But [the company] was very cautious about even having a TikTok account ... Then, [Brand XY*] decided to be the first to open a TikTok account, [and] opening up a TikTok strategy."* –**Manager 1, Company D**
>
> **Withheld due to confidentiality*

As the informants noted, the reasoning behind Brand XY's* radical, one-of-a-kind initiative was driven by the local team's insight into TikTok's prominence among Indonesian youth, along with other local knowledge not visible to the global team. With this level of freedom to adapt initiatives, the local team turned a project initially doubted and treated as an afterthought by the global team (as Brand XY* was not considered a priority brand) into a campaign that achieved significant milestones in engagement and eventually sales (see: Subsection 4.4.3). Notably, this success was later acknowledged by the global team, and adopted as a new benchmark for other markets and products.

Based on the findings, the marketing-based glocalization practices, identified through the local team's ability of adapting global campaigns, the usage of television commercials, as well as the freedom to pursue experimental marketing, aligns closest with a high degree of commitment.

4.4.3 Company D's Sales and Distribution-based Glocalization

Based on the interviews, Company D's sales and distribution-based glocalization leaned more towards adaptation, particularly in its choice of distribution channels. In this regard, it became the only one among the case companies that, for selling certain products, prioritized sales through GT channels over MT.

> *"Global [team] rarely gets involved in sales because it is so market-dependent. So, how you penetrate and distribute the product is up to the local market. ... Each [distribution] channel has different profit margins; GT typically has the highest, higher than MT, because in MT, you have to list products, pay for shelf space, and pay listing fees. With GT, you simply push through the distributor and it flows from there, which ultimately shapes the local strategy ... If the global team wants certain margin growth ... it means figuring out which channel to support [this] growth."*–**Manager 1, Company D**

> *"The local team is perceived to understand the sales and distribution conditions best, so the overall sales direction from global [headquarters] only focuses at the most foundational [principle] level."*–**Manager 3, Company D**

The reasoning for prioritizing certain products in GT, a more localized channel, for certain products, is because the practice supports the company's strategy of achieving high profitability. To meet its sales target, the company relied on the local team by granting full autonomy over channel selection, as they were seen as the one who best understood the local conditions.

Besides prioritizing the GT channel for some products, the local team also pursued alternative trade channels, particularly Indonesia's local e-commerce platforms such as TikTok Shop. These initiatives were developed alongside the brand's TikTok marketing efforts for Brand XY* (discussed in Section 4.4.2), and were pushed aggressively based on the local team's confidence, even though, as the informants put it, they were "running blind"; since the global team had yet to develop e-commerce performance tools before the initiatives were implemented.

> *"We initially did not have tools to track the overall e-commerce landscape ... So online [e-commerce] was a black box for us. That is why the global team found it so hard to support our ideas like TikTok Shop or e-commerce in general, because their data and KPIs were based [only] on market share in MT and GT ... But through our own intelligence and observations, we knew TikTok had potential, even if we could not fully prove it with data ... Despite this, the TikTok Shop initiative for Brand XY* turned out to be a success, generating around [X amount*] US dollars in GMV [gross merchandise value] within a year."* –**Manager 1, Company D**
>
> **Withheld due to confidentiality*

Although the informants noted that the company now has e-commerce tracking tools in place, the Indonesian team's initiatives were, at the time, seen as radical. Despite this, the local team was still given the freedom to pursue such initiatives "not fully understood" by the global team, which contributed to their success.

Based on the findings, the sales and distribution-based glocalization practices, identified through the company's focus on GT over MT channels for some products, as well as its freedom to experiment with new channels such as e-commerce (TikTok Shop), align closest with a high degree of commitment. It should be noted, however, that despite this highly localized approach, the interviews also showed that some products, particularly premium ones, are still primarily sold through MT. Nonetheless, the overall pattern remains closest to a high degree of commitment, as the local team retained full autonomy in choosing the necessary channels.

4.4.4 Company D’s Regulation-based Glocalization

In the case of Company D, the interview findings showed how they fully complied with Indonesia’s regulatory standards, including Halal certification for all products (including imports), alongside BPOM requirements. Additionally, as the only company selling household care products in this research, it also complied with Product Circulation Permit standards set by the Indonesian Ministry of Health.

Besides complying with local regulations, the company also, in some isolated cases, showed the willingness to adopt Indonesian regulatory standards than its own global guidelines when selling certain products. This is shown, for example, in decisions to market products with ingredients classified as “fully safe” under Indonesian regulations, despite being considered “alarming” under the company’s global standards; as seen in the development of local products using a specific base oil (as discussed in Section 4.4.1).

This specific practice was pursued due to the strong demand for such products. For this reason, despite the ingredients remaining subject to internal caution, the practice was maintained, as they have long been used in Indonesian personal care routines. In other words, this locally embedded demand, together with the ingredient’s “fully safe” status under Indonesian regulations, was considered sufficient for the company to exercise some flexibility when applying its internal standards (despite only being implemented in isolated cases).

Despite prioritizing local compliance over global standards in isolated instances, the strict internal regulations set by the headquarters, as the informants noted, still served as the primary reference for most of the company’s operations. While this uniformity is generally viewed positively, it could also constrain operations; for example in ingredient sourcing, where adherence to global quality standards prevented them from using certain local ingredients for their food products; despite such ingredients not being considered “low quality” under the Indonesian regulations.

> *“When sourcing ingredients, [our company’s] suppliers are required to hold specific certifications, whereas local companies [competitors] might not need all those expensive certifications. ... In some cases, those harvests even go to waste, because there is no infrastructure or factories to process the raw materials according to*

global standards … A global company simply cannot source such materials [with lower quality], as they need to meet higher quality [requirements], in the sense that they have passed those rigorous standards.” **–Manager 2, Company D**

“The requirements are so high in terms of raw materials … If we go back to [talking about] our natural resources, we [Indonesia] have so much. For example, why do certain [fruit-based] ingredients have to be imported when we have so many farmers? Finding quality raw ingredients in processed form is difficult … Our farmers may be skilled, and our country is actually rich in natural resources, but as a nation, we lack focus. When I go looking for processed [fruit-based*] materials, I genuinely want to use Indonesian fruits. But it always fails to pass [the company's standards]. It is really a shame … Once we can use domestic materials, all the costs can come down.”* –**Manager 2, Company D**

**Withheld due to confidentiality*

As the interview showed, Company D has faced difficulties sourcing raw ingredients from Indonesia due to their strict global regulations, which left them still reliant on imports. Despite this, the company has not yet implemented direct initiatives to address this specific constraint; for example through collaboration with local farmers (such as those initiated by Company A).

Based on these findings, the regulation-based glocalization practices, identified through the company's decision to follow local regulations over its own global standards (in some isolated instances), while maintaining global compliance across a large part of its business, align closest with a medium degree of commitment.

4.5 Overview of Glocalization Commitment across Companies

After analyzing each company's glocalization practices, the findings are mapped in a single table which compiles their degree of commitment (see Table 10 below). The table is used to identify recurring patterns and deviations, which are analyzed descriptively in subsequent sections.

Table 10. Overview of Glocalization Commitment across Case Companies

Glocalization Commitment / **Types of Glocalization**	**Low Commitment** (Mandatory Adjustment)	**Medium Commitment** (Simultaneous Global & Local Importance)	**High Commitment** (Emphasis on Local Adaptation)
Product-based	Company B	Company C	Company A, D
Marketing-based		Company C	Company A, B, & D
Sales and Distribution-based	Company C	Company A, B	Company D
Regulation-based	Company C	Company D	Company A, B

The overall findings showed how the patterns for glocalization commitment leaned more toward high degree for both product-based and regulation-based glocalization; with two of the four companies positioned in this category. The same pattern, however, became even more visible in marketing-based glocalization, with three of the four companies positioned in high degree of commitment. On the other hand, the sales and distribution-based glocalization became the only practice whose patterns leaned towards medium degree.

Importantly, the findings also showed that, even where a glocalization practice appeared to lean toward a certain degree of commitment, that position was generally occupied by only two of the four companies, except in marketing-based glocalization. For this reason, the subsequent analysis (Section 4.6), which focuses on identifying recurring patterns and deviations, will present each glocalization practice separately, in order to avoid oversimplifying the findings into a single "one-size-fits-all" conclusion.

4.6 Recurring Patterns and Factors for Deviations

4.6.1 Patterns and Deviations in Product-Based Glocalization

In terms of product-based glocalization, the patterns from two companies (Company A and D) showed a high degree of commitment, which were exercised through similar practices of acquiring legacy brands exclusive to the Indonesian market, alongside extensive use of IPA adaptation; from changing product names to local names, to utilizing sachet packaging and introducing local variants (e.g. flavors) for their global brands.

These adaptations were implemented by both companies for similar reasons. Firstly, the legacy brands were acquired due to their similar need of establishing a foothold in the Indonesian market, especially during their early years of local operations. In terms of IPA adaptation, however, each component served a different purpose, although the two companies adapted them for similar reasons. For local product variants, the adaptations were made to resonate with local preferences and culture, including local palates (for food products) and local hygiene practices (for personal care products). In the case of sachet packaging, however, both companies adapted their products to cater to the local purchasing power; shown in what company A called "provision trade" which took Indonesians' average pocket size into account, and in Company D's emphasis on the high number of Indonesians working in the informal sector, whose irregular income made it necessary for the company to keep products as small and affordable as possible.

Beside the recurring patterns, some deviations were also identified in Company C and B, which were positioned at medium and low degrees of commitment, respectively. In this regard, both companies deviated for a similar reason: their focus on serving middle- to high- income consumer segments.

In the case of Company C, the focus on catering to the middle- to high-income segment necessitated the preservation of its global "premium" image. This condition limited the company's ability to adapt their more "visible" product components, such as product design or packaging, as such adaptations (e.g. into sachet formats) could weaken the image. As a result, the adaptations could only be exercised through changes less visible in the products, such as ingredient adjustments to support certain health benefits aligned with local demand.

In the case of Company B, however, its focus on the middle- to high-income segment served as a secondary factor that limited their product adaptation. The main limitation came from the company's status as a franchise, which restricted IPA adaptation to only necessary adjustments, such as adding stickers on top of their existing packaging. Nevertheless, the consumer segment still played a role, as the brand was perceived as "mass prestige" in the Indonesian market; which created additional reasons to avoid further adaptation that could otherwise weaken its perception.

4.6.2 Patterns and Deviations in Marketing-Based Glocalization

The marketing-based glocalization showed the clearest pattern toward a high degree of glocalization commitment, with three of the four companies (Company A, B, and D) positioned in this category. This was shown through extensive use of local campaigns across all three companies, despite being carried out using different initiatives; such as school activation or Ramadhan-focused campaigns by company A, or the usage of KOL and television advertising for company B and D, respectively.

Additionally, across the three companies, such adaptations were carried out for similar reasons. Firstly, these initiatives were embedded in ways that made them concrete expressions of local culture; for example, in how school campaigns aligned with Indonesian parents' tendency to get involved in their children's academic performance. Secondly, some activities were also adapted to align with daily local habits; such as the usage of television advertising, which fits the everyday routine of warung owners while waiting for customers; or the use of social media campaigns aimed at Indonesia's youth, whose engagement with social media ranks among the highest in the world (as discussed in Chapter 1).

Besides these recurring patterns, a deviation also emerged in one company (Company C), whose glocalization commitment was positioned at a medium degree. This deviation came from the company's focus on health-related products, which had to be marketed to healthcare professionals under strict global procedures. As a result, the company could only adapt its marketing initiatives to local conditions selectively; mainly in campaigns aimed at the general public.

4.6.3 Patterns and Deviations in Sales and Distribution-Based Glocalization

In terms of sales and distribution-based glocalization, the patterns from two companies (Company A and B) leaned towards a medium degree of commitment, as they both maintained the importance of standardized modern trade (MT) distribution selectively. In this case, Company A focused on specific retail chains with extensive store networks, whereas Company B concentrated on selected department stores aligned with their "mass prestige" positioning.

In line with the common characteristics found in medium degree of commitment, both companies also emphasized local adaptation in their distribution channels with comparable priorities to that of MT. In the case of Company A, this took the form of a knowledge building process to optimize GT channels, such as *warungs*, for their sales. In Company B, however, whose products could not be sold through *warungs* due to its "mass prestige" positioning, local channel adaptation took the form of an e-commerce mobile application developed specifically for the Indonesian market.

Besides these recurring patterns, deviations also emerged from the two remaining companies (Company D and C), which were positioned at high and low degrees of commitment, respectively. In the case of Company D, the deviations mainly occur as it was the only company that could prioritize GT channels (over MT) for selected products. This practice was made possible due to the full autonomy granted to the local team in selecting distribution channels (without requiring global approval).

In the case of Company C, the deviations occurred due to the direct control exercised by global headquarters over their sensitive, health-focused products. More specifically, by establishing the standardized channels that determine how the products should be sold (with focus on MT and healthcare professionals), the global team was able to maintain oversight through limiting the local team's choice of distribution channels.

4.6.4 Patterns and Deviations in Regulation-Based Glocalization

In terms of regulation-based glocalization, the findings showed how the institutional duality exercised by the companies leaned mostly toward adherence to global standards, with local regulations, such as Halal or BPOM, primarily fulfilled for compliance purposes. Despite this, the differing positions in glocalization commitment could still be identified through additional indicators (see: Table 2). In this regard, two companies (Company A and B) were identified as having a high degree of commitment based on the shared value created from localized applications of their own global regulations.

In the case of Company A, the value generated involved raising the quality of local ingredients beyond the existing national standards, which were implemented through their farmer initiatives and development programs. In Company B, the value generated came from its initiative to co-develop refill station standards with BPOM, which became a reference for other FMCG companies introducing similar initiatives.

Besides these recurring patterns, deviations also emerged from the two remaining companies (Company D and C), which were positioned at medium and low degrees of commitment, respectively. In the case of Company D, the deviations mainly occur from their selective use of local regulations for certain product ingredients, while adhering to global standards across most of its operations.

In Company C, the deviation moved further toward a low degree of commitment. This is influenced by the involvement of healthcare professionals in their business, which meant that the sale and marketing initiatives for their health-focused products had to prioritize complying with both the company's global standards and regulations from international bodies, with local regulations fulfilled to meet the minimum required threshold.

5 Conclusion and Reflection

5.1 Conclusion

Based on the research question:

To what degree are glocalization practices committed by multinational FMCG companies in Indonesia?

The empirical findings concluded that general patterns emerged across the glocalization commitment of the FMCG companies. The pattern began by following a set of principles and themes from the global headquarters, one which were commonly referred to as its *grand design*, and were then converted locally into sets of concrete practices; which ranged from adjusting the product elements to designing entire new campaigns aligning with local habits and cultures (as explained in Section 4.6.1 - 4.6.4). Although they often required additional approvals or further discussions with the headquarters, these adaptations were viewed as necessary, as it offered multiple advantages; from becoming more accepted traditionally (through association with local values), to maximizing channels unavailable in their global operations. As a result, these companies tended to lean toward a high degree of commitment in product-, marketing-, and regulation-based glocalization, and a medium degree in sales and distribution-based glocalization.

Despite the overall pattern leaning toward a high degree of commitment, the findings also showed several factors that limited how far the adaptations could be pursued. In some companies, particularly those whose products were positioned toward middle- to high-end consumers, this limitation was exercised more deliberately, as adherence to global standards helped preserve a premium image. In other companies, the limitation was exercised less deliberately, especially in those operating as franchises or selling health-focused products, where standardization was required due to compliance reasons linked to either their business structure, or to international regulatory requirements.

At the same time, although the overall results show a tendency toward high degree of commitment (with medium commitment appearing only in sales and distribution-based glocalization), this pattern becomes less uniform when each company is analyzed individually. Specifically, a company may show a low degree of commitment in product-based glocalization but a high degree in marketing-based glocalization; depending on their strategic focus, the market they served, and their limitations of adaptation. This finding, therefore, showed how glocalization functioned as a real-world practice of the contingency approach, which encourages balance between standardization and adaptation based on what each situation requires.

5.1.1 Reflection on the Research Framework

Since establishing the methodology of this research (see: Chapter 3), it was already identified that the original Uppsala Internationalization Model did not fully fit the context of this study. This was because the original model, particularly its "establishment chain", was designed to analyze firms' gradual entry into foreign markets over time, rather than to specifically measure the degree of local adaptation or standardization in real-time practices. For this reason, the model was adapted by converting the chain's 'conceptual logic' into three degrees of glocalization commitment: low, medium, and high (see: Section 2.3.2). After the adaptation, the model became a fitting framework for examining the under-theorized topic of glocalization.

A clear sign that the adapted framework fits the context of glocalization could be seen from the pattern-matching results, where each glocalization practices' data, through analysis of its strategic reasoning, could be converted into low, medium, and high degrees of glocalization commitment. This way, the model allowed the researchers to weigh how much of a given practice, such as product-based glocalization, was locally adapted, and how much remained standardized. Through this specific use of the model, the research also avoided treating glocalization in the way prior research tended to do: as a static, unweighted checklist in which any practice containing both adaptation and standardization was automatically labeled as "glocalization" without further elaboration.

Despite the adapted model becoming one of the closest-fitting frameworks for glocalization, few mismatches remained. This could be identified from its limited ability to analyze how a company's glocalization commitment might shift over time, including cases when they strategically moved "backwards", from high to low degree of commitment. This is because the original model (which the adapted version was based on) treats internationalization as a forward-moving process, in which firms are expected to gradually increase resource commitment over time. As a result, the adapted model also became limited in capturing such shifts.

5.1.2 Expected Patterns and Actual Findings of the Adapted Framework

Prior to the start of this research, the findings for the glocalization commitment across the four companies were expected to lean strongly toward high commitment. This expectation was formed because the adapted framework used in this research is derived from the original Uppsala Internationalization Model, which emphasizes that firms' resource commitment increases incrementally over time, through experiential learning and relationship building within business networks (Johanson & Vahlne, 1977). Considering that the four companies analyzed in this research are multibillion-dollar firms with strong market experience for at least 20 years in Indonesia (with some operating for more than 50 years), the expected findings was that most glocalization practices would point toward high commitment.

Overall, this expectation was reflected in the findings, as most glocalization practices were categorized as high commitment when the four companies were analyzed collectively. However, when the findings are assessed separately for each company, it becomes clear that some companies, despite their strong market presence, still deliberately maintain low commitment in certain glocalization practices. Because of this, the findings of the adapted framework confirm the initial expectation at the broader level, while also showing that this expectation does not apply uniformly across all companies. This is because, as highlighted in the conclusion chapter (see Section 5.1), glocalization commitment is influenced by both standardization and adaptation approaches; which meant that even when a company has strong market knowledge and a long-established presence in Indonesia, not every glocalization practice needs to, or should, be pursued with high commitment.

5.2 Contributions

From a theoretical perspective, this research provides several original contributions. First, it extends prior conceptualization of glocalization, by dividing the concept into four practices that capture firms' real-life activities, including product-, marketing-, sales and distribution-, and regulation-based glocalization. Second, it introduces a new application for the Uppsala Internationalization Model, by converting its establishment chain into three degrees of glocalization commitment of low, medium, and high. These adaptations could be used as references for future research seeking similar in-depth analysis of glocalization.

From a practical perspective, this research provides rich qualitative insights into how multinational FMCG companies navigate an emerging market such as Indonesia, an empirical setting that remained underexplored in prior studies. Specifically, the research showed how these firms decide which initiatives to adapt or standardize, in response to Indonesia's religious, collectivist, and price-sensitive market conditions, as well as the numerous strategic reasoning behind those choices.

Additionally, as the findings showed that different glocalization practices require different commitment levels, with some requiring higher emphasis on adaptation while others benefit from a standardized approach, this research further supports the use of a contingency approach in International Business; rather than encouraging the sole adoption of either approach.

5.3 Limitations of Results

Several limitations of the results are important to acknowledge. First, as the analysis was conducted based on real-life initiatives by each company at a specific point in time, these practices may shift in response to micro- or macro-level conditions in the Indonesian market without any fixed time frame; which may also change the degree of glocalization commitment. For this reason, the findings should be treated as a contextual snapshot at the time of research, rather than a definitive representation of each company's glocalization practices.

Second, as the empirical data were gathered through semi-structured interviews with managers and specialists, the findings might reflect the perspectives of only a selected group within each company, or be affected by recall or selective bias (what informants remembered and what they chose to share). Although follow-up questions and triangulation with secondary sources were used to reduce these information gaps, some information could still have been overlooked beyond the researcher's control. Additionally, the anonymization of companies and products could also limit how certain contexts could specifically be described, which could also constrain how readers interpret the findings.

5.4 Future Research

As the topic of glocalization remains under-theorized, future research is needed to expand the concept further. In this regard, future research could examine glocalization practices in other countries' FMCG markets, to analyze how different local conditions influence the development of different initiatives. Moreover, a cross-country analysis of the same company operating in two or more countries could also be conducted; which would provide valuable insights into how a company, under the same brand and similar identity, adjusts their initiatives across different markets.

Furthermore, several findings showed that certain initiatives, once developed locally, later went to influence the workflows at the global level. This "bottom-up" form of glocalization, which recognizes that standardization does not operate solely through a top-down process, remains underexplored in prior research (and appeared only to a limited extent in this study), yet could be developed into a distinct topic for future research.

Additionally, future research could also incorporate perspectives beyond the company itself. This approach would expand the topics of glocalization further, by showing how it affects other actors; such as consumers and their perceptions of a brand. By doing so, further research could address new questions, such as whether the message behind current initiatives has reached consumers as intended, or whether there are other opportunities that companies have yet to explore.

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Appendixes

Appendix A. AI Prompts

Prompts from AI tool include:

"Could you point out the awkward wording in this text that needs improvement?"

"Can you help proofread this text to make sure the grammar is correct?"

"Guide me to make sure this text become more concise but keep the original meaning"

Appendix B. Interview Guidelines

This guideline was originally written in Bahasa Indonesia to help the informants understand the questions more accurately. The translated version is presented below.

Master's in Management Thesis - Interview Information & Guidelines

Aqshal Raihan Budiputra & Ghinaya Fairuz Zahra - Lund University, Sweden, 2026

Thank you for considering taking part in our interview. This is part of a Master's thesis at Lund University, which focuses on how FMCG / consumer goods companies implement glocalization, alongside potential risks and opportunities created by their practices.

Glocalization is a combination of "globalization" & "localization." It refers to the phenomenon in which businesses (esp. Multinational companies) adapt their operations by preserving the global value embedded in their offering* while incorporating local elements to meet market demand.

***The offering can include one out of four elements:**

1. **Products**: the product itself, branding (name, motto, slogan), ways of consumption (e.g., portion size), and design (shape, wording in a certain language, etc.)
2. **Marketing**: advertising (incl. association with certain cultures), marketing channels (social media, celeb. partnerships, TV), and campaigns (e.g., campus visits, events, etc.)
3. **Sales and distribution channels**: retail channels (small shops/warung, supermarkets) and online channels (marketplaces or social media platforms)
4. **Regulatory and legal alignments**: ISO, company's internal global food safety standards, halal requirements, and other local requirements such as BPOM, SNI packaging standards, distribution permits, etc.

In this context, a company may retain <u>one or several elements according to its global standards</u>, while <u>adapting other elements to local conditions</u>. It may also <u>combine global and local components within the same element.</u>

Below is an overview of the topics we will discuss to help you set your expectations.

Interview questions

Session 1: Introduction

a. Introduction from the informant (role, responsibilities, & context: brand and market they currently work on)

Session 2: Implementation practices (focus/skip depending on your role & practices)

a. Based on the four practices, which one is most closely related to your role, and what first comes to mind as a practice of glocalization?

Product

a. From the list of the four elements* above, is there any specific product that comes to mind as a result of glocalization in your company? Why was it created in the first place, and what market needs or demands was it intended to address?
b. Are there other elements in the product that have been adapted to the Indonesian market? Why was this done?

Marketing Implementation

a. For the product discussed, in what ways has the marketing remained globally standardized, and in what ways have they been localized?
b. In terms of marketing channels for some products, what have been the most effective local ways to promote them and reach consumers?

Sales & Distribution Channels

a. How have sales and distribution processes been adapted glocally? Through which channels or methods has this been done?
b. What have been the most effective sales and distribution approaches chosen for the product & its reasoning? Were there any bottlenecks?

Legal and Regulatory Aspects

a. Were there any regulatory requirements that pushed the company to adapt its products?
b. How was this managed while remaining consistent with the global brand, or did it, in some cases, move the product further away from the original global branding?

Session 3 - Risks and Challenges

a. In your experience, has the company encountered issues related to maintaining a consistent global identity versus fulfilling local needs? Could you walk us through a specific situation where this issue led to a challenge and how it was resolved?
b. From your experience, what are the most significant risks that arise from simultaneously practicing global and local adaptation in your company? What risks occur more frequently?
c. Has the company encountered situations where local regulatory requirements clashed with its global standards/guidelines? How were those tensions navigated?
d. Does the company have any contingency plans (risk mitigation) in place when a localized strategy does not perform as expected?

Session 4 - Opportunities

a. From your experience (and what is stated in the previous session), which glocalization decisions have been the most successful in this market?
b. To what extent has glocalization enabled the company to compete more effectively against local brands? Do you think a global brand that localizes well has more advantages?
c. Have there been instances where a locally developed element, originally designed for this market, was later scaled globally?
d. From your experience, what are the most significant opportunities that glocalization has created in this market?
e. Looking ahead, where do you see the biggest untapped opportunities for glocalization in this company/market?

Session 5 - Decision-making and Learning (Implication)

a. When deciding whether to balance local adaptations with global standards, what are the most critical factors that inform those decisions? How are they weighed against one another in practice?
b. Reflecting on the company's glocalization practices in this market, what would you say are the most important lessons learned? Both about what works and what does not?

Appendix C. Consent Form

SCHOOL OF ECONOMICS AND MANAGEMENT

LUND UNIVERSITY

Informed consent to participate in study at the Lund University School of Economics and Management

By signing below, I am providing my voluntary informed consent to participate in an interview, where information will be collected and used for the thesis *Standardize, Adapt, or Glocalize? A Qualitative Study of Glocalization Commitment across Multinational FMCG Companies in Indonesia*. In the thesis, the information collected will only be presented in a way where you will not be identifiable. This consent form will be stored in a locked room at the School of Economics and Management at Lund University.

Your consent can be recalled at any time and any information collected from you will be deleted and not be used in any yet to be performed analysis. To recall your consent, contact Aqshal Raihan Budiputra or Ghinaya Fairuz Zahra via e-mail: aq8788bu-s@student.lu.se / gh5266za-s@student.lu.se or via phone: +62 812 8340 9267 / +62 813 9014 0795. If your consent is recalled via email, please state "Recall of consent" in the subject line.

Name: …………………………………………………………………………..

Email address: …………………………………………………………………..

Phone number: ………………………………………………………………….

Signature: ……………………………………………………………………….

<u>Information concerning the handling of personal data in student theses</u>

Purpose: The handling of personal data is necessary to obtain the results needed to write the thesis and to achieve the learning outcomes required for the thesis course. For the course in question, the following learning outcomes are relevant:

Knowledge and understanding

- Show an understanding of the different steps and considerations included in developing and conducting an academic study.
- Account for and explain theoretical models within the broad area of management that are relevant for the topic of the thesis.
- Account for the different steps and challenges involved in developing an appropriate research method.

  This is a translation of the course syllabus approved in Swedish

Competence and skills: A pass grade on the course will be awarded to students who:

- Are able to design a degree project in order to increase understanding of a certain practical or theoretical problem.
- Are able to conduct the degree project as an independent scientific study that includes developing relevant research questions and methodological considerations.
- Show an ability to choose, synthesize and critically reflect on relevant theory/theories.
- Show an ability to collect and analyze empirical data, to relate it to existing theory and present contributions based upon the study conducted.
- Can present the study as a written academic report and discuss the strengths and weaknesses of the study, in dialogue with different groups, orally and in writing.
- Are able to conduct the work within specified time limits, even when limited information is available.

Judgement and approach: A pass grade on the course will be awarded to students who:

- Select relevant theories and appropriate methodology in order to address the research problem and purpose identified by the study.
- Can identify strengths and weaknesses in their study and identify relevant contributions of the research.
- Have an ability to discuss other students' research based on academic standards.
- Demonstrate an ability to make assessments within the field of management, taking into account relevant scientific, social and ethical aspects, and demonstrate an awareness of ethical aspects of research.
- Demonstrate an ability to identify the need for further knowledge and to take responsibility for developing that knowledge.

Legal basis: According to GDPR, the handling of personal data is only permitted if there exists a valid legal basis. Concerning students' theses, the position of Lund University is that the handling of personal data rests on the legal basis "general interest" ("allmänt intresse").

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Appendix D. Photographs of Warungs (General Trade)

Typical Indonesian *warungs* equipped with a television (Source: Personal Documentation)