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STANDARDIZATION VS. ADAPTATION OF THE MARKETING MIX STRATEGY IN SME EXPORTS

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Abstract. Standardization vs. adaptation of the marketing mix in foreign markets has been one of the key research areas in international marketing since late 1960s. Several authors have presented many arguments favoring standardization but on the other hand several authors have also supported the advantages of adaptation of the marketing mix. More recently the contingency view has received increasingly support. Research results about the degree of standardization vs. adaptation used have been mixed. The product element seems to have been the most standardized and distribution the most adapted element. The goal of this study is to analyze the degree of standardization vs. adaptation of the marketing mix elements by SMEs in their foreign sales integrating selected contingency factors into the analysis. The empirical part of the study will focus on the strategies used by ca. 190 Finnish SMEs in their foreign sales. The total results indicate relatively small difference in the degree of adaptation between product, communication and distribution strategies whereas pricing was more adapted. When the contingency factors were taken into account the results indicated somewhat more variation, but surprisingly limitedly.

Keywords: marketing mix, standardization, adaptation, small and medium-sized firms

1. Introduction

Along with the increased role of foreign sales in the operation of companies of various country of origin an increasing interest has also focused on the strategies used by companies in their foreign marketing. One of the key focus areas has been the interest towards the degree of standardization vs. adaptation of various marketing mix elements. The main interest has so far focused on the communica-

tion and product elements of the marketing mix. Although recently also other marketing mix elements have received increasing attention, the number of studies exploring the degree of standardization of all four marketing mix elements at the same time is still limited. However, in order to increase our understanding of the relative “importance” of each of the key marketing mix element, studies incorporating all the four elements to a single study are needed.

Another feature in the research so far has been that it has for a great part focused on the strategies used by multinational corporations (MNCs) in their international marketing. Research focusing on the marketing strategies of small and medium-sized companies (SMEs) has been much more limited although a significant amount of SMEs have started their foreign sales during the last thirty years and several of them are highly dependent of the success of their foreign marketing strategies. Finally, most studies so far have focused on the strategies used by firms from the USA or from big Western European economies, and strategies used by firms from smaller countries has received much less attention.

The goal of this study is to analyze the degree of standardization vs. adaptation of the marketing mix elements by SMEs in their foreign sales. In more detail the goal is to analyze the degree of standardization vs. adaptation of the four key marketing mix elements - product, price, distribution, and communication - and the impact of selected contingency factors on the strategies used. With contingency factors we mean those background forces - firm, management, market and customer issues - that may influence firms’ decision to standardize or adapt their international marketing strategy. The contribution of the paper consists among others from new insights related to market and customer strategies and from the focus on the strategies used by SMEs from a small, developed market economy. The empirical part of the study will focus on the strategies used by ca. 190 Finnish SMEs.

The structure of the paper is as follows: In section two we will make a general overview of the standardization/adaptation literature and of the key arguments for standardization vs. adaptation. In section three first a review of the standardization-adaptation of various marketing mix elements is made. This is followed by a literature review of the contingency factors affecting the degree of standardization vs. adaptation. Both parts include the development of hypothesis for the empirical part of the study. In section four the key methodological and sample related issues are discussed. Section five presents the key results of the study. Finally, section six presents discussion, conclusions and proposals for future research avenues based on the study.

2. General literature review

The research focusing on the standardization vs. adaptation of the marketing mix elements has received during the years quite a lot of attention. The first articles focusing on the issue were published already in early 1960s, but in general the attention paid to the issue was quite limited. In the early studies it was argued that advertising campaigns could be standardized across European countries in the same way they were standardized across states in the USA (Elinder, 1961). Some years later Buzzell (1968) extended the discussion to cover in addition to advertising also other marketing mix elements. It was first in the 1970s standardization vs. adaptation discussion received more attention. From the articles published at that time the one by Sorenson and Wiechmann (1975) has apparently been the most cited one.

In a review made by Waheeduzzaman and Dube (2004) authors identified in total 130 articles made in 1960-late 2002. The review consisted both conceptual (46,9 %) and empirical studies (53,1%). The articles were published in 26 international journals Journal of Global Marketing, International Marketing Review, Journal of World Business, and Journal of International Marketing as the main publications for the articles (21, 18, 13, and 11 articles). Other good surveys related to the standardization vs. adaptation research have been made e.g. by Theodosiou and Leonidou (2003) who made a detailed analysis of 36 empirical studies. The results by Waheeduzzaman and Dube (2004) indicated that nearly 64 % of the studies had investigated product and 61 % promotion standardization whereas only 35 % had focused on price and 31 % distribution standardization. About thirty per cent of the studies had included all four main marketing mix elements and the rest had focused on one single or two marketing mix elements.

As presented by Theodosiou and Leonidou (2003:142) proponents of the standardization approach view the globalization trends in the world as the driving force behind greater market similarity, more technological uniformity, and higher convergence of consumer needs, tastes, and preferences (Levitt, 1983; Ohmae, 1985). They also claim that standardization is further facilitated by the growth of international communication channels, the emergence of global market segments, and the appearance of the internet. They posit that such a strategy can offer a number of benefits: a) significant economies of scale in all value-adding activities, particularly in research and development, production, and marketing; b) the presentation of a consistent corporate/brand image across countries, especially in light of the increasing consumer mobility around the world; c) reduced management complexity due to better coordination and control of international operations (Levitt, 1983; Douglas & Craig, 1986; Yip, Loewe & Yoshino, 1988).

As also presented by Theodosiou and Leonidou (2003: 142) advocates of the adaptation approach argue that, despite increasing globalization tendencies, variation between countries in such dimensions as consumer needs, use conditions, purchasing power, commercial infrastructure, culture and traditions, laws and regulations, and technological development are still too great, thus necessitating the adjustment of firms' marketing strategy to the idiosyncratic circumstances of each foreign market (Terpstra & Sarathy, 2000). In particular, they criticize strategy standardization as a new kind of marketing myopia, representing an oversimplification of reality, and contradicting the marketing concept (Boddewyn, Soehl & Picard, 1986; Wind, 1986; Douglas & Wind, 1987). They also stress the fact that the ultimate objective of the firm is not cost reduction through standardization, but long-term profitability through higher sales accrued from a better exploitation of the different consumer needs across countries (Onkvist & Shaw, 1990; Rosen, 1990; Whitelock & Pimblett, 1997).

Finally, Theodisou and Leonidou (2003: 142-143) refer to third group of researchers who offer a contingency perspective on the standardization/adaptation debate. In their view: a) standardization or adaptation should not be seen in isolation from each other, but as the two ends of the same continuum, where the degree of firms' marketing strategy standardization/adaptation can range between them; b) the decision to standardize or adapt the marketing strategy is situation specific, and this should be the outcome of thorough analysis and assessment of the relevant contingency factors prevailing in a specific market at a specific time; and c) the appropriateness of the selected level of strategy standardization/adaptation should be evaluated on the basis of its impact on company performance in international markets (Quelch & Hoff, 1986; Onkvist & Shaw, 1987; Jain, 1989; Cavusgil & Zou, 1994). Hence, the challenge for the international firm is to determine which specific strategy elements are feasible or desirable to standardize or adapt, under what conditions, and to what degree.

Most of the empirical studies made so far have focused on the standardization vs. adaptation of US based multinationals. Thus the strategies used by non-US based companies and those by small and medium-sized companies have received relatively limitedly attention so far. E.g. no study in the main international journals or edited books like in *Advances in International Marketing* included articles focusing on the marketing strategy standardization vs. adaptation of SMEs from European smaller economies like from Nordic countries or from Greece or Switzerland. Interestingly 19 of the studies included in to the review by Theodosiou and Leonidou (2003) did not include any information on the specific sampling designs used (particularly those focusing on MNCs). Furthermore, the same review revealed that the sample size had been in several studies (in 23 of 36) less than 100

and the average response rate 28.5 %, thus comparable to that of other studies conducted in international marketing. Mail survey has clearly been the main method of data collection in standardization vs. adaptation studies so far.

3. Degree of standardization and adaptation and contingency factors

3.1. Degree of standardization and adaptation

From the 36 studies in the review by Theodosiou and Leonidou (2003) only 21 reported empirical data on the actual degree of international marketing strategy standardization/adaptation, while another 15 used the level of standardization/adaptation identified for subsequent analysis without clearly stating it (e.g. Albaum & Tse, 2001; Johnson & Arunthanes, 1995). After the review some additional studies have been published as Vrontis (2003), Katsikeas, Samiee and Theodosiou (2006) and Siraliova and Angelis (2006) being some of the more recent ones.

Altogether, 35 different marketing strategy items were examined included to the review by Theodosiou and Leonidou (2003), with the minority of the studies exploring seven items or more. The items fall under one of the four generic categories of the marketing mix, namely product (11 items), price (8), promotion (11), and distribution (5). Multiple-point scales were mainly employed to measure the degree of similarity of each marketing strategy element in the domestic vs. the overseas market (Johnston & Arunthanes, 1995; Leonidou, 1996; Theodosiou & Katsikeas, 2001) or its degree of standardization/adaptation (e.g. Shoham, 1999). In some cases, dichotomous scales, indicating whether the firm followed a standardization or adaption approach, were also used (e.g. Hill & Hill, 1984; Chhabra, 1996).

The results by Theodosiou and Leonidou (2003: 156, 161) as well as other earlier studies indicate that product element of the marketing mix and product related issues seem to be the most standardized. Michell, Lynch and Alabdali (1998) found that the degree of standardization of product-related variables was greater than the other marketing mix elements by UK firms exporting to the six Gulf States. Similar results were found by Quester and Conduit (1996) studying the behavior of Australian subsidiaries. Also the more recent studies by Vrontis (2003), Katsikeas et al. (2006) and Siraliova and Angelis (2006) give support to the results that MNCs standardize most product element in their marketing mix.

The first of the more recent studies was based on UK based MNCs and the second one on US, German and Japanese MNCs. All three subsamples in the second study gave support to the finding. The results in the third study (n=29 MNCs) indicated that the product element was most standardized globally, in the CEE markets, and in the Baltic markets. The results focusing on the UK based companies having received the Queen's Award for Export Achievement (Styles & Ambler, 1994) indicated that 73 % of them exported the same product as they sold in the UK without adaptations and they adapted the other marketing mix elements. Exporting the standard product these companies could reach economies of scale and decrease costs and therefore they were able to expand quickly to several foreign markets.

There are several potential reasons for the higher degree of standardization of the product element, like: a) the greater incentive to reap the benefits from economies of scale in research and development and production, b) the desire for rapid diffusion of new products in the market, especially in light of the fact that product life-cycles are increasingly becoming shorter, and c) the need to achieve better coordination through the application of more uniform internal production controls and quality standards (Ohmae, 1985; Douglas & Craig, 1986). Of the product attributes quality, design and features/characteristics, were the least adapted.

Compared to product, pricing and pricing related elements have been much more adapted. The main reasons for these are apparently the differences between various countries in marketing objectives, cost structures, inflation rates, competitive policies, and government controls. Pricing adjustments centered on five major areas: a) pricing methods/strategies, b) wholesale prices/margins, c) retail prices/margins, d) end user prices/margins, and e) sales/payment terms. (Theodosiou & Leonidou 2003: 161)

The results related to promotion have indicated slightly above-average levels of adaptation. From the various promotion mix elements advertising seemed to have been somewhat less adapted than the other elements, especially personal selling. The main reasons for the adaptations seemed to have been mainly differences in language, media availability and costs, legal regulations, economic differences, and competitor strategies. (Theodosiou & Leonidou 2003: 162)

According to the results by Theodosiou and Leonidou (2003: 161-162) distribution seemed to be most adapted from various four marketing mix elements. Comparing three marketing mix elements, e.g. Boddewyn and Grosse (1995) found that pricing and distribution were much more adapted than promotional tools. Key reasons for the adaptation seemed to be the differences in terms of size, type and services and know how of various export middlemen, wholesale and/or retail dis-

tribution members, availability and prices of methods of transportation and warehousing. However, the results in the more recent studies indicate different results. Vrontis (2003) found that UK based MNCs adapted usually more both promotion and especially pricing than distribution. Also Katsikeas et al. (2006) found that promotion and pricing were much more adapted by US and German MNCs and promotion also by Japanese MNCs than distribution element. Furthermore, the results by Siraliova and Angelis (2006) give support to the view that MNCs have adapted pricing and promotion more than distribution globally, in CEE markets and in the Baltic markets. Thus, the contradictory results do not give clear indication of the most adapted element of marketing mix strategy.

Based on the earlier discussion it seems that the product element is the most standardized element. And thus, we propose as our first hypotheses that:

Hypotheses 1: The product element of the marketing mix is the most standardized element.

The result by Styles and Ambler (1994) above refer to a high degree of standardization of the product and at least some degree of adaptation of the other elements. How much does the degree of adaptation vary between various marketing mix elements? According to the results by Yip (1997) a positive relationship was found in the degree of standardization of various marketing mix elements among US, Japanese and European MNCs. Also the recent results by Siraliova and Angelis (2006) indicated significant and positive correlations between the degree of standardization of various marketing mix elements globally, in the CEE, and in the Baltic markets. Therefore also we expect that:

Hypotheses 2: The marketing mix elements are positively related to each other in terms of level of standardization.

3.2. Contingency factors affecting degree of standardization and adaptation

The review by Theodisou and Leonidou (2003:148) indicated that the role of contingency (antecedent) factors in international marketing standardization/adaptation was explored in 25 studies from which 15 provided evidence of a direct link between contingency factors and international marketing standardization/ adaptation. The number of factors examined varied significantly among these studies, ranging from one to 22, with most focusing on up to three. Altogether, 50 factors have been identified, which were subsequently reduced to 22, based on their substantive conceptual meaning. These can be broadly categorized into seven groups, namely environmental (4), market (4), customer (3), competi-

tion (2), product/industry (3), organizational (4), and managerial (2). Given the great diversity of these factors, a variety of ways was used for their measurement, but the most common practice was the use of five- or seven-point interval scales.

The present study is a part from an international project and for this reason we will focus only on those contingency factors which were included into the broader project focusing on SME exports. These factors are related to a) firm, b) managerial (international experience and commitment), c) product, d) market characteristics (size and cultural distance), and e) consumer issues. Because this study focuses on SMEs which are from one single country, some of the issues included in earlier studies, like e.g. centralization of decision-making in the company between headquarter and subsidiaries and the nationality of the company were not important (only few of the companies in the empirical part had one or more foreign subsidiaries).

3.2.1. Firm related

Export dependence

There is limited number of studies exploring the role of export dependence as an antecedent for the marketing mix adaptation level (see e.g. Calantone, Kim, Schmidt & Cavusgil 2006). We argue that export dependence may have an important role in influencing the decisions to adapt and standardize marketing mix elements. We expect that the more critical role exporting has in a firm's business operations, the more firms try to satisfy their customers by adapting the marketing mix elements to fit the potential differences in different target countries. Calantone et al. (2006) studied the influence of export dependence on product adaptation and found that the more dependent the firm was on exports the more product adaptation was used. Other marketing mix elements were not included in the study, but we assume that the influence of export dependence is the same for all marketing mix elements. Thus, we suggest that

H3: Firms with high export dependence use more adapted marketing mix strategies than firms with low export dependence.

Speed of internationalization

During the last 15 years one of the key research focus areas in the analysis of exports and internationalization of SMEs has been the impact of the speed of internationalization on the behavior and strategies used by the firms (see e.g. Rialp, Rialp & Knight, 2005). Rapidly internationalized companies – companies that start their foreign operations immediately or latest within three years from their

establishment – and the role of exports reaches soon an important role (at least 25%) of the total sales, are often called as International New Ventures, Born Globals or Born Internationals (ibid). Some of the key features of these types of companies have been found to be: they expand rapidly to several foreign markets, they often use more networking and strategic alliances in their operations than slowly internationalizing firms, and they operate often in high tech –industries. Because of the small size of these companies, at least during the early years of operation, the expansion to several foreign markets apparently demands highly standardized marketing mix strategies. In cases where firms internationalize more slowly, the use of more adapted strategies could be expected more easily to be applied. Thus, we suggest that:

H4: Slowly internationalized companies use more adapted marketing mix strategies than rapidly internationalized companies.

Number of target countries

The more concentrated the sales of the company is on a few markets, the more standardized the marketing mix elements of the company apparently are in order to achieve economies of scale and to save costs in order to have competitive prices in the key markets. And the higher the number of target markets and the lower the concentration of sales to the key markets, the more adapted the marketing mix elements can be expected to be in order to secure the competitiveness of the company in various target markets. Cavusgil et al. (1993) found that adaptation of positioning and promotional approach was higher when product was exported simultaneously to multiple markets, but opposite results were found for product element in which adaptation was higher when product was exported to a single market. In addition, no significant differences were found for packaging and labeling adaptation. Sousa and Bradley (2002), on the other hand, found negative relationship with the adaptation level of pricing strategy. The results indicate that adapting product element to several target countries may be too costly and overwhelming, but on the other hand, making adaptations in positioning and promotional approach may be conducted with lower costs and effort. Thus we suggest that:

H5a: Firms with high number of target countries use more adapted pricing, promotion and distribution strategies than firms with low number of target countries.

H5b: Firms with high number of target countries use more standardized product strategy than firms with low number of target countries.

3.2.2. Managerial related

Managers' international experience

When the management of the SME has more international experience they know better and they are better able to analyze the market situation, customer needs, alternative distribution channels etc. and they are therefore better able to plan the potential or needed adaptations to various marketing mix elements. In firms where the management does not have this kind of experience the possibilities to evaluate the potential adaptation of various marketing mix elements is more limited. No prior empirical studies, however, have been found, which directly had studied the influence of managers international experience on adaptation level of marketing mix strategies. On the other hand, some studies exploring the role of firm level international experience, using various measures, in marketing mix strategies have been conducted. Cavusgil et al. (1993) found positive influence of firm's international experience on the adaptation level of product after entry and Leonidou (1996) found, based on descriptive data that Japanese firms with longer market presence in the host country used more extensive adaptations in their product strategy than those which were relatively new. On the other hand, the results about the influence of experience on product elements were not so clear in a study by Seifert and Ford (1989) focusing on small US industrial goods manufacturers. Positive influence was found also for positioning, packaging, labeling and promotional approach and budget (Seifert & Ford 1989; Cavusgil et al. 1993; Leonidou 1996). Related to pricing strategy Sousa and Bradley (2008) found surprisingly negative relationship while Seifert and Ford (1989) found no significant influences. Thus, we suggest that:

H6: Firms with high level of managerial international experience use more adapted marketing mix strategies than firms with low level of managerial international experience.

Managers' commitment to international operations

Although no empirical studies for exploring the role of managers' commitment of international operations in marketing mix adaptations were found, studies by Koh (1990) and Kanso (1992) give some indication of the potential influence. Koh (1990) explored the relationship of marketing strategy and management motivation in exporting, classified as reactive, sustaining and proactive, and found that motivation was related to the level of export pricing, but not to other studied components in pricing or in product element. In firms, in which management was more proactive and committed to exporting, export prices were higher and thus adapted to foreign markets. Kanso (1992) studied the influence of cultural orientation of the managers on advertising approach and found that non-culturally oriented managers used standardized advertising approach more than culturally

oriented managers. Culturally oriented managers can be assumed to be also more committed to international operations of the firm. Thus, it is suggested that:

H7: Firms with high level of managerial commitment to international operations use more adapted marketing mix strategies than firms with low level of managerial commitment to international operations.

3.2.3. Product related

Type of product

It is commonly viewed and empirically verified that industrial products seem to be more standardized than consumer products (see e.g. Johnson & Arunthanes 1995; Leonidou 1996; Menguc 1997), because e.g. various cultural elements demand more adaptation in the latter than in the former ones. And it may be assumed that this does not concern only the product element of the marketing mix, but also the other elements like distribution and communication. Boddewyn and Grosse (1995) compared the level of product, promotion, pricing, and distribution adaptation of three product types: 1) consumer non-durables, 2) consumer durables and 3) industrial goods. The results of the study were based on three surveys of large US firms operating in EU, carried out in 1973, 1983 and 1993. They found that the difference in the level of adaptation between the three product groups had diminished. However, major adaptation was more common in consumer non-durables, followed by consumer durables and industrial goods. There were not such big differences in the adaptation of promotional tools in general and physical distribution in the three product groups. Pricing adaptation, on the other hand, was lowest for consumer durables. However, Michell, Lynch and Alabdali (1998) found no differences in the adaptation level of product, price, distribution, and promotion strategy for UK firms exporting to Gulf States. In addition, Cavusgil et al. (1993) found that there was no difference in the adaptation of product upon entry, but higher adaptation was found for consumer products in product element after entry, in packaging, labeling and promotional approach. Thus, it is suggested that:

H8: For consumer products more adapted marketing mix strategies are used than for industrial products

Uniqueness of the product

Koh (1990) studied the influence of management's perception of uniqueness of product on marketing strategy, but found no support for the relationship. Cavusgil, Zou and Naidu (1993) found positive relationship between the uniqueness of

the product and the level of adaptation in positioning, packaging, labeling and promotional approach in the sample of US firms. However, no support was found for the influence on product adaptation upon or after the entry. Later Cavusgil and Zou (1994), using the same sample of US firms, combined the above mentioned marketing mix elements into two variables; product and promotion adaptation and found that degree of product and promotion adaptation increases as the product uniqueness increases. O'Cass & Julian (2003) studied the influence of firm specific characteristics on the marketing mix strategy adaptation-standardisation. Uniqueness of the product was one of the indicators of firm specific characteristics, but its individual influence was not studied. However, the results supported the positive relationship between firm specific characteristics and adaptation level of product and promotion strategies, and thus give some indication of the influence of product uniqueness. Thus, it is suggested that:

H9: For unique products more adapted marketing mix strategies are used than for more standard types of products.

Quality of the product

No prior studies exploring the relationship between product quality and the adaptation level of marketing strategies have been found. However, it could be expected that in the case of low quality products more adapted marketing mix strategies are used to compensate the lower quality than in the case of high quality products. Thus, it is suggested that

H10: For low quality products more adapted marketing mix strategies are used than for higher quality products.

Target market characteristics

There are several studies which have explored the role of similarity of export market environment in different elements of marketing mix adaptations. Many of them treat the market environment as one variable and do not separate the influence of individual elements of the environment like political, legal, economic, culture, competition and customer characteristics (see e.g. Mengüç 1997, Alashban, Hayes, Zinkhan & Balazs 2002; O'Cass & Julian 2003; Calantone, Kim, Schmidt & Cavusgil 2006). However, it would be important to understand the role of specific environmental elements in the level of adaptation of marketing mix strategy. In the following we will focus on discussing the potential role of economic and cultural environment.

Economic size

Leonidou (1996) found only moderate impact of target country related factors on the product strategy adaptation, with demographic and political-legal factors having the greatest influence and socio-cultural and economic factors having the least influence. However, the differences between the scores were very small and no statistical testing was conducted. Michell et al. (1998) studied among others the influence of GNP similarity of target and parent countries on the degree of adaptation and found no influence. Theodosiou and Katsikeas (2001) found support for the positive relationship between similarity in economic conditions of home and host countries and the degree of standardization and pricing strategy. Thus, prior empirical results have been contradictory. However, we assume that the more similar the market size and level of development between key target countries and home markets of the firm, the more standardized the marketing mix elements could be assumed to be. The greater the differences between the key markets and home market, the greater the need for adaptation, because of differences in product preferences, role of price, and differences and availability and services of middlemen. Thus, it is suggested that:

H11: A great difference in economic size between target and parent country leads to more adapted marketing mix strategies.

Cultural distance

This same concerns the impact of cultural distance between the target countries and home of country of the firm. The shorter the distance the more similar the customer/buyer preferences, media availability, reactions to communication etc. and the easier it is to use standardized marketing mix elements. The greater the cultural distance the greater the differences e.g. in buyer preferences and buying habits, reactions to communication, availability and efficiency of various distribution channels. Thus, the greater is the need for adaptation in the use of various marketing mix elements. Johanson and Arunthaness (1995) found no significant relationship between cultural differences and actual or ideal product adaptation. Roth (1995), on the other hand found that the more there were differences in cultural uncertainty avoidance and individualism the higher was the level of brand image adaptation. However, cultural power distance had no significant influence. Because of the limited and somewhat mixed results so far, it is suggested that:

H12: A great cultural distance between target and parent country leads to more adapted marketing mix strategies than close cultural distance.

3.2.4. Customer related

Number of customers & Type of customers

Limited number of studies has focused on exploring the role of customer related factors on the adaptation level of marketing mix strategies (see e.g. Cavusgil et al 1993; Cavusgil & Zou 1994; Theodesiou & Katsikeas 2001). These studies have focused on studying the influence of product or brand familiarity of export customers or similarity of customer preferences, perceptions and purchasing behaviour. However, the influence of number and the type of customers have not been studied. When the number of customers in the target country increases also the sales levels increase making the target market more important. We could assume that the more important the target market is the more interested a firm is adapting marketing mix strategies to fit the specific characteristics in the target country. In addition, the relative adaptation costs are lower when the number of customers in specific target country is higher. Thus, it is suggested that:

H13: High number of customers in the target country leads the preference for more adapted marketing mix strategies than low number of customers.

Usually it is regarded that the customers are local buyers (other industrial buyers or local consumers). In consumer goods sectors the customers are usually totally or mainly local customers although there are some exceptions like mobile phone sector. However, in the industrial product sectors there may be greater variation in the customer types. The foreign companies may have followed their customers in the domestic market to the foreign markets. In these cases one could expect that the level of adaptations in various marketing mix elements is clearly lower than in cases where the buyers are totally or mainly target country based customers or third country multinationals not being customers of the exporting firm in their home markets. Thus, it is suggested that:

H14: Customer strategy in the target country of mainly multinationals or local customers leads to preference for more adapted marketing mix strategies than when the customers are mainly the same or same nationality than in the home country.

4. Methodology, data collection and sample

The empirical part of the study is based on two-step mail survey which was completed with telephone survey. All steps were realized between June - November 2006. The survey focused on the motives, for exports, development of export,

export strategies including standardization vs. adaptation, export performance, and future prospects of export. The original target group was obtained from a Finnish company register (Blue book company register) and based on the answers in an earlier survey focusing on the export and internationalization behavior of Finnish SMEs conducted by the leading author of the article some years earlier (in 2002). The selection based on both sources was based on the same four criteria: a) the firm had 10-249 employees (249 the EU maximum size employee criteria for SMEs), b) the firm had regular exporting activities, c) the company operated in manufacturing or ICT sector, and d) the firm had to be established between 1980-2000, or 1960-1999 if the firm had participated to the earlier survey. With these criteria 1 481 firms were selected as the target group and a four page long questionnaire was sent to those firms. In firms having less than 50 employees the survey was sent to the managing director of the firm and in bigger companies to the person in main charge of the international operations of the firm. From the sent questionnaires 52 were returned, because the company had gone into bankruptcy, changed address, and/or name and address, thus the number of target firms was 1429.

After the first mail-survey round, the questionnaire was re-sent to the firms which had not answered in the first round. Finally, the data collection was finished by telephone interviews in ca. fifty randomly selected firms. The telephone interviews did not include all the issues included to the original questionnaire. Therefore related to the standardization vs. adaptation of various marketing mix elements only answers related to the total degree of standardization vs. adaptation to the four elements was received in these cases. In total 269 firms participated to the study indicating an effective response rate of 18,8 %. The rate is relatively low, but clearly higher than in several large scale surveys where response rates of 10% or even less have been informed (see e.g. Menon, Bharadwaj & Howell 1996).

From those answers two were deleted because of the too big size (more than 250 employees) and 18 because of too small company size (below 10 employees). When the participating companies were compared to the original sample firms based on their size, field of industry, and age categories no significant differences could be found between the two groups. Furthermore, no significant differences could be found between early respondents and late respondents based on these three criteria and additionally related to their mean share of exports or number of target countries.

For this study two additional criteria were set: the share of export had to be 10% or more in 2005 and the company should have two or more target countries of

Table 1. Operationalization of the variables and descriptive statistics of the sample (Number of firms/%)

FIRM SIZE: Total number of employees in 2005									
Mean 55,3		10-49:		115 61.1 %		50-249:		73 38.9 %	
EXPORT AGE: 2005 minus the year of starting exports									
Mean 14,23		1-5 years:		23 12.4 %		6-14 years:		89 48.1 %	
								15- years: 73 39.5 %	
SPEED OF INTERNATIONALIZATION: Starting and share of exports within three years from establishment									
Classification 1		No exports:		69 (38.1 %)		Exports:		112 (61.9 %)	
Classification 2		No exports or share below 25%		114 (63.0 %)		Exports at least 25%		67 (38.1 %)	
EXPORT DEPENDENCE: Share of exports from total sales in 2005									
Mean 60,2		10-24:		12 (6.4 %)		25-49:		55 (29.4 %)	
		50-74:		57 (30.5 %)		75-99:		63 (33.7 %)	
INTERNATIONAL MANAGERIAL EXPERIENCE: International experience of the management (scale 1=very low...5=very high)									
Mean 3,79		Very low - Medium		50 (22,2%)		High - Very High		112 (77.8 %)	
INTERNATIONAL MANAGERIAL COMMITMENT: Managements commitment to the foreign business									
Very Low - Medium		24 (14,6%)		High - Very High				140 (85.4 %)	
PRODUCT TYPE: Buyers of your product are industrial vs. consumer buyers									
Industrial buyers:				141 (80.6 %)					
Final customers/consumer products:				34 (19.4 %)					
UNIQUENESS OF THE PRODUCT: Rate how well the following statement describes your company: Customers regard our product as more differentiated than standardised (scale 1=very poorly...5=very well)									
Mean 3,89		St: Describes very poorly - medium		49 (26,1%)		Diff. Describes well - very well		139 (73,9%)	
PRODUCT QUALITY: Rate how well the following statement describes your company: Customers regard our product as a of higher quality than our competitors product (scale 1=very poorly...5=very well)									
Mean 3,95		Describes very poorly - medium		39 (19.8 %)		Describes well - very well		138 (80.2 %)	
TYPE OF CUSTOMERS:									
Same important customer or your main customers are Finnish companies								7 (3.7 %)	
Mainly multinational companies								27 (14.4 %)	
Mainly local companies								108 (57.4 %)	
Different types of customers								46 (24.5 %)	
NUMBER OF CUSTOMERS IN THE MAIN MARKETS:									
One		38 (20.2 %)	2-5	50 (26.6 %)	6-19	27 (14.4 %)	20-	18 (9,6%)	Variation between countries 55 (29.3 %)
NUMBER OF TARGET COUNTRIES: Number of target countries in 2005									
Mean 16,7		2-9:		85 (45,9%)		10-19:		56 (30,3%)	
								20-: 44 (23,8%)	
MAIN TARGET COUNTRIES OF EXPORTS: Both two main target countries belong to these groups									
Economic size		G6 countries (Canada, USA, UK, France, Germany, Italy):					Yes	23	No 165
Region		Nordic countries (Sweden, Denmark, Norway)					Yes	18	No 170
		CEE (Central-Eastern and Eastern Europe):					Yes	13	No 175
		Non-European (exc. Canada, USA & Australia):					Yes	2	No 186
Cultural distance (Cultural distance from Finland based on Hofstede's four dimensions and score values (Hofstede1980 & 2001) and Kogut and Singh index) (1998)									
Culturally close (Distance value < 1,0 from Finland); Nordic countries + Can, Est, Ger, Ned							Yes	41	No 147
Culturally more distant (Distance value ≥1,0); other countries							Yes	25	No 163
DEGREE OF STANDARDIZATION VS. ADAPTATION: Total degree of standardization of product/price/communication/distribution activities in the main target countries of exports (scale 1=fully standardized...5=fully adapted) Results presented in section									

exports in 2005. These additional conditions reduced the sample size to 188 companies in this study. As discussed in section two of the article, the average sample

size in standardization vs. adaptation studies has been below 100. Thus, the sample size in this study is clearly above the average. The statistical methods used in the study are T-test and ANOVA –test.

The operationalization of the key variables and descriptive sample statistics is presented in Table 1. The mean number of employees was 55 persons (median 38), the mean total sales ca. 12 million Euros (median 7.0), and the mean share of exports 60 % of total sales (median 60.0). Companies had on the average 16.7 target countries (median 12.0) for exports in 2005. The three main target countries of exports were Sweden, Germany and Russia and the exports was very concentrated because the share of the three main target countries of exports was on the average 44 % (median 40.0) % from total exports.

5. Results of the study

In H1 we suggested that from the various marketing mix elements product is the most standardized element. Based on the means, presented in table 2, the level of standardization of product, communication and distribution strategy do not differ. Pricing strategy on the other hand is more adapted than the other marketing mix elements. However, when we compare the share of firms which have fully standardized or fully adapted the marketing mix elements more differences can be noticed. For both product and communication elements, fully standardized strategy (14,5% & 13,9%) has been more common than fully adapted strategy (8,9% & 7,5%). On the other hand, for pricing element full adaptation has been more common (16,9%) than full standardization (7,9%). For distribution, there is not a great difference in the use of full standardization (9,8%) and full adaptation (11,6%). Thus, the results indicate that product strategy is the most standardized and pricing strategy the most adapted marketing mix element

Table 2. Means and degree of standardization / adaptation of marketing mix elements.

Mean and level of standardization / adaptation	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
Mean	3,08	3,42	3,07	3,09
Fully standardized	14,5 %	7,9 %	13,9 %	9,8 %
Quite standardized	13,4 %	12,4 %	14,5 %	20,8 %
Neutral	30,7 %	26,0 %	30,1 %	31,2 %
Quite adapted	32,4 %	36,7 %	34,1 %	26,6 %
Fully adapted	8,9 %	16,9%	7,5 %	11,6 %

As can be seen in Table 3, all marketing mix elements are positively related, thus supporting the hypotheses 2, in which we suggested that all the marketing mix elements are positively related to each other.

Table 3. Correlation table of the marketing mix strategies

	Product strategy	Pricing strategy	Promotion strategy	Distribution strategy
Product strategy	1			
Pricing strategy	0,339	1		
Promotion strategy	0,388	0,443	1	
Distribution strategy	0,354	0,496	0,577	1

In the following the test results of the firm, managerial, product, market and customer related factors on the adaptation level of marketing mix elements will be discussed. T-test results are presented in Table 4, and the ANOVA-test results in Table 5. The relationships are considered to be statistically significant when $p \leq 0.10$.

Table 4. Results of t-tests

	Product strategy			Price strategy			Promotion strategy			Distribution strategy		
	N	Mean	t-Value (p)	N	Mean	t-Value (p)	N	Mean	t-Value (p)	N	t-Value (p)	
Type of product:												
Consumer	34	3,00	-0,504	30	3,10	-1,680	32	3,09	-0,008	32	3,31	1,131
Industrial	140	3,11	(0,615)	142	3,49	(0,095)	136	3,10	(0,994)	136	3,06	(0,260)
Uniqueness of product:												
Standard	46	2,87	-1,639	46	3,41	-0,214	44	3,25	0,599	45	3,29	0,828
Differentiated	123	3,20	(0,103)	121	3,45	(0,831)	120	3,13	(0,550)	118	3,13	(0,409)
Product quality:												
Low	37	3,11	0,045	38	3,39	-0,229	38	3,18	0,086	36	3,28	0,610
High	132	3,10	(0,964)	129	3,44	(0,819)	126	3,17	(0,932)	127	3,15	(0,543)
Speed of internationalization												
Definition 1: loose												
Traditional	66	3,17	0,788	66	3,59	1,540	64	3,23	1,469	64	3,17	0,876
Born global	106	3,02	(0,432)	104	3,33	(0,125)	103	2,96	(0,144)	103	3,02	(0,382)
Speed of internationalization												
Definition 2: strict												
Traditional	109	3,01	-0,922	109	3,48	0,672	106	3,14	1,039	106	3,07	-0,159
Born Global	63	3,19	(0,359)	61	3,34	(0,503)	61	2,93	(0,301)	61	3,10	(0,874)
Economic size												
G6	94	3,06	0,171	91	3,45	-0,319	87	2,99	0,922	87	3,06	0,401
Others	85	3,09	(0,865)	86	3,40	(0,750)	86	3,15	(0,358)	86	3,13	(0,689)
Cultural distance												
Close	155	3,08	-0,022	153	3,42	0,032	149	3,07	0,126	150	3,07	-0,751
More distant	24	3,08	(0,982)	124	3,42	(0,974)	24	3,04	(0,900)	23	3,26	(0,453)

Table 5. Results of ANOVA tests

	Product strategy				Price strategy				Communication strategy				Distribution strategy			
	N	Mean	Std. Dev.	F Sig.	N	Mean	Std. Dev.	F Sig.	N	Mean	Std. Dev.	F Sig.	N	Mean	Std. Dev.	F Sig.
No of customer																
1	36	3,36	1,01	2,861	37	3,59	1,14	2,027	36	3,14	0,19	0,394	36	3,08	0,18	0,378
2-5	49	3,20	1,19	(0,025)	49	3,16	1,16	(0,093)	45	3,16	0,17	(0,813)	45	3,16	0,18	(0,824)
6-19	26	3,00	1,16		25	3,88	0,93		26	3,15	0,23		25	3,24	0,25	
>20	15	3,53	1,12		15	3,20	1,52		16	2,81	0,32		16	2,81	0,29	
Varies	53	2,68	1,22		51	3,39	1,06		50	2,98	0,17		51	3,06	1,10	
Type of customer s:																
Same or F. comp	7	2,57	1,27	0,729	6	2,83	1,72	0,560	6	2,33	1,21	0,858	5	2,60	0,55	0,395
MNC	27	3,04	1,22	(0,536)	25	3,40	1,23	(0,642)	25	3,04	1,10	(0,464)	24	3,21	1,22	(0,756)
Local	105	3,06	1,22		104	3,45	1,15		100	3,10	1,27		103	3,08	1,27	
Different types	40	3,25	1,03		42	3,45	1,02		42	3,12	0,89		41	3,12	0,84	
Export Depend.																
10-49	65	2,98	1,17	0,358	64	3,47	1,14	0,133	62	3,08	1,19	0,026	60	3,12	1,12	0,047
50-74	53	3,17	1,19	(0,700)	53	3,36	1,16	(0,876)	53	3,08	1,19	(0,974)	54	3,09	1,10	(0,954)
75-	60	3,08	1,21		59	3,42	1,16		57	3,04	1,12		58	3,05	1,25	
No of target countries																
2-9	64	3,20	1,16	0,629	61	3,21	1,16	1,902	61	3,03	1,18	0,120	60	3,20	1,16	1,814
10-19	54	2,96	1,17	(0,534)	54	3,44	1,14	(0,152)	52	3,13	1,12	(0,887)	51	3,24	1,07	(0,166)
20-	61	3,05	1,23		62	3,61	1,12		60	3,05	1,18		62	2,87	1,19	
Manager s' int. experience																
Low	13	2,92	0,95	1,016	13	3,38	1,19	0,054	13	2,92	0,86	0,745	13	3,00	0,91	0,422
Medium	36	3,36	0,83	(0,365)	34	3,50	1,08	(0,947)	35	3,34	0,94	(0,476)	34	3,32	0,98	(0,656)
High	106	3,10	1,20		107	3,49	1,12		102	3,18	1,16		102	3,19	1,18	
Manager s' comm. to int. operat																
Low	5	3,40	0,55	0,123	4	3,75	0,96	0,479	4	3,75	1,26	(0,847)	4	3,50	1,29	0,229
Medium	18	3,17	0,92	(0,885)	19	3,26	1,10	(0,621)	19	3,00	0,94	(0,431)	19	3,26	1,05	(0,796)
High	134	3,15	1,15		132	3,49	1,12		129	3,21	1,10		128	3,16	1,12	

We hypothesised that there would be differences in the level of adaption of different marketing mix elements based on the following Firm related antecedents: export dependence (H3), speed of internationalization (H4) and number of target

countries (H5). However, there were no statistically significant differences and thus the results did not confirm the hypotheses.

From the manager related contingency factors, we suggested that the level of managers' international experience (H6) and commitment to international operations (H7) would have an influence on the adaptation level of the marketing mix elements. Based on the results, hypotheses are not supported. Even though the results are not statistically significant, it is interesting that the adaptation level in all four marketing mix strategies is highest when the managers have medium level of international experience and medium level of commitment to international operations. This may indicate that the relationship is U-shaped instead of linear.

In the case of product related contingency factors, we suggested in hypothesis 8-10 that firms use more adapted marketing strategies for consumer products than for industrial products, for general products than for unique products and for low quality products than for high quality products. However, the results show no statistically significant differences across the product groupings based on the types, level of uniqueness and quality of the products.

Related to market related contingency factors, we hypothesized that the similarity of the target countries and parent country based on the size (H11) and culture (H12) would support the use of more standardised marketing mix elements. The empirical results did not confirm the hypothesis.

Concerning the customer related contingency factors, we suggested in the hypothesis 13 and 14 that the level of adaption would differ based on the number (H13) and type of customers (H14) in the target countries. As can be seen in table 5, the level of product and pricing adaptation differs significantly ($p=0.025$; $p=0.093$) according to the number of customers. When a firm has more than 20 customers in the target country, the product strategy is the most adapted. However, the relationship is not linear. In communication and distribution strategy no differences were found. However, it is interesting to find out that the standard deviation is lowest in these marketing mix elements when the number of customers is taken into account. The results of the level of adaptation of different marketing mix elements based on the type of customers do not support the H14, thus indicating that the type of customer do not influence the level of adaptation in any of the marketing mix elements.

6. Summary and conclusions

The goal of this study was to analyze the degree of standardization vs. adaptation of the marketing mix elements by SMEs in their foreign sales, especially the degree of standardization vs. adaptation of the four key marketing mix elements - product, price, distribution, and communication - and the impact of selected contingency factors on the strategies selected. With contingency factors we mean those background forces - firm, managerial, product, market and customer issues - that may influence firms' decision to standardize or adapt their international marketing strategy. Based on the literature fourteen hypotheses were developed for the empirical part of the study. The empirical part of the study was based on survey results among 188 Finnish SMEs (10-249 employees) having at least 10 % of exports from total sales and at least two export target countries in 2005.

Table 6. Summary of the hypothesis tested in the study.

Hypothesis	Results
H1: The product element of the marketing mix is the most standardized element	Supported
H2: The marketing mix elements are positively related to each other in terms of level of standardization.	Supported
H3: Firms with high export dependence use more adapted marketing mix strategies than firms with low export dependence.	Not supported
H4: Slowly internationalized companies use more adapted marketing mix strategies than rapidly internationalized companies.	Not supported
H5a: Firms with high number of target countries use more adapted pricing, promotion and distribution strategies than firms with low number of target countries.	Not supported
H5b: Firms with high number of target countries use more standardized product strategy than firms with low number of target countries.	Not supported
H6: Firms with high level of managerial international experience use more adapted marketing mix strategies than firms with low level of managerial international experience.	Not supported
H7: Firms with high level of managerial commitment to international operations use more adapted marketing mix strategies than firms with low level of managerial commitment to international operations.	Not supported
H8: For consumer products more adapted marketing mix strategies are used than for industrial products.	Not supported
H9: For unique products more adapted marketing mix strategies are used than for more general types of products.	Not supported
H10: For low quality products more adapted marketing mix strategies are used than for higher quality products.	Not supported
H11: A great difference in economic size between target and parent country leads to more adapted marketing mix strategies.	Not supported
H12: A great cultural distance between target and parent country leads to more adapted marketing mix strategies than close cultural distance.	Not supported
H13: High number of customers in the target country leads the preference for more adapted marketing mix strategies than low number of customers.	(Partly) supported
H14: Customer strategy in the target country of mainly multinationals or local customers leads to preference for more adapted marketing mix strategies than when the customers are mainly the same or same nationality than in the home country.	Not supported

The study found that the most adapted marketing mix element by Finnish firms was pricing. On the other hand, no differences were found in the degree of adap-

tation of product, communication and distribution element, based on the mean scores. However, when comparing the share of firms which have fully standardized or fully adapted the marketing mix elements more differences were noticed. Those figures show that product is the marketing mix element which has been the most fully standardized element (and that it is more often fully standardized than fully adapted.) In addition, also in the case of communication, Finnish firms have adopted more often fully standardized strategy than fully adapted strategy. The findings of the study confirm the results of prior studies that product is the most standardized marketing mix element. (see e.g. Quester & Conduit 1996; Michell, Lynch & Alabdali 1998; Theodosiou & Leonidou 2003; Vrontis 2003; Katsikeas et al. 2006; Siraliova & Angelis 2006.). The results of the study also confirm the view that pricing has become the most adapted marketing mix element instead of distribution (see e.g. Vrontis 2003; Katsikeas et al. 2006; Siraliova & Angelis 2006). The results give support also to the view that the degree of standardization vs. adaptation of all marketing mix elements is highly correlated supporting the earlier results by Yip (1997) and Siraliova and Angelis (2006).

Regarding the impact of 12 firm, managerial, product, market and customer specific variables on the degree of adaptation of marketing mix strategies, the results are surprising. Only one product and one customer specific factor was found to have a significant influence on the degree of adaptation. The results indicate that the extent to which Finnish firms standardize or adapt their product strategy depends on the number of customers and the extent they standardize or adapt their pricing strategies depends on the type of product and number of customers in the target country.

Regarding the influence of number of customers on product and pricing strategy, it is interesting to notice that the relationship is not linear. In the case of Finnish firms pricing strategy is most adapted when the number of customers is 6-9, but when the number of customers is less or more than that the level of adaptation in pricing strategy declines. However, the degree of product adaptation is lowest when the number of customers is 6-9, but when the number of customers is less or more the degree of product adaptation increases. The results imply that the number of customers in the target country is an important contingency factor, on which more attention needs to be paid on. In addition, the results indicate that there is a turning point in the number of customers, before and after which the degree of adaptation changes. The influence of number of customers on the degree of marketing mix elements has not been studied earlier and thus the study contributes in identifying one relevant customer related factor.

It was also interesting to find out that the impact of product type on the adaptation level of pricing strategy is contrary to the expectations showing that in the case of industrial products Finnish firms used more adapted pricing strategy than in the case of consumer products. However, the results support the findings by Bodewyn and Grosse (1995), who found that pricing adaptation was lowest for consumer durables when compared with consumer non-durables and industrial goods.

Even though very few of the suggested relationships received statistical support, the study contributed by exploring the role of several contingency factors which have received limited attention or no attention at all in the field of international standardization and adaptation marketing mix strategies. The three firm related contingency factors, 1) export dependence, 2) the speed of internationalization and 3) the number of target countries did not have significant influence on the degree of adaptation of any marketing mix elements, thus not supporting the findings by Cavusgil et al. (2003) and Calontone et al. (2006). However, based on the descriptive data the direction of the relationship between speed of internationalization and all the four marketing mix elements are as expected when the criteria of starting exporting in three years of establishment was used to classify firms into traditional and born globals, thus traditional firms have fairly more adapted marketing strategies than born globals. Some differences can be found also in the case of number of target countries. It seems that the lower the number of target countries the more adapted are product and distribution strategies. However, the higher the number of target countries the more adapted is the pricing strategy.

Two managerial related contingency factors, managers' international experience and managers' commitment to international operations, were not found to have statistically significant relationship with the degree of adaptation, not confirming the results by Seifert and Ford (1989), Koh (1990), Kanso (1992), Cavusgil et al. (1993) and Leonidou (1996). On the other hand, based on the descriptive data medium level of managers' international experience seem to lead to most adapted marketing strategies and surprisingly in the case of lowest level of manager's commitment to international operations, the highest level of adaptation for all four marketing strategies were found.

In addition to the product type, two other product related contingency factors were studied; uniqueness and the quality of the product. Even though, the two latter product related factors did not have significant influence on the degree of adaptation, again the descriptive data may give some indication for further studies. As can be seen in Table 4, the product strategy is more adapted in the case of more unique products ($p=0,103$). However, promotion and distribution strategies are slightly more adapted in the case of general types of products. Somewhat

higher adaptation level of distribution strategy is found in low quality products than in high quality products.

None of the target market characteristics, economic size and cultural distance, were found to have significant influence on the degree of adaptation. However, mean scores of marketing mix strategies related to the economic size of the target country are surprising as it seems that product, promotion and distribution strategy are more standardized when the economic size of the target country is larger than in the parent country. This is contrary to expectations. In the case of cultural distance some differences can be found in the adaptation level of distribution strategy so that the more culturally distant the target country is the more adapted is the distribution strategy. However, no differences related to the other marketing mix elements were found.

Previously not studied contingency factor, type of customers, did not have significant influence on the marketing mix strategy. The descriptive data of the type of customers, however, give also some indication of its influence on the marketing mix strategies. The adaptation level in all four marketing mix strategies is quite similar when the type of customer is MNC or local company. In addition, the adaptation level is higher when customer type is MNC or local company than when the type of customer is same than in the home country or the country of origin of that company is the same than the exporting company, thus supporting our suggestion.

The contribution of the paper consisted among others from new insights related to market and customer strategies and from the focus on the strategies used by SMEs from a small, developed market economy. Although several of the expected relationships did not receive support, this study was the first step to analyze these relationships and thus the study contributed by opening the doors for new research avenues. The results imply that the relationship between potential contingency factors and the level of adaptation is quite complex. By complexity we mean, that the relationship may not always be linear and that in some cases the contingency factor may indicate increasing level of adaptation in some of the marketing mix elements, but decreasing level of adaption in some other marketing mix element. This requires managers to consider carefully the potential trade-off implication of different contingency factors.

It is also important to take into account that the results of this study are valid, only in the main export countries of the Finnish firms. In addition, the number of target countries was quite high (see table 1) with most of the firms, thus the results should be interpreted with caution. In the future it would be important to assess the marketing mix adaptation for each country separately.

This study focused only on the analysis of degree of standardization vs. adaptation of the four key marketing mix elements, not on the more specific analysis of various specific elements related to the four key elements. Thus, in future one key avenue to continue would be to analyze in more detail the degree of standardization vs. adaptation of various specific elements like branding, design, warranties, advertising, selling methods etc. and thus apply multi-item scale for each of the marketing mix element. The focus only on the total degree of standardization vs. adaptation may partly explain the several unexpected results. Furthermore, this study did not analyze the relationship between degree of standardization and adaptation with the export performance. Thus, a third main avenue to continue analysis would be to analyze this relationship and in which more specific situations higher degree of standardization vs. adaptation leads to better performance. A fourth interesting research avenue would be to compare the degree of standardization vs. adaptation over time. Do the companies change the degree of standardization vs. adaptation over the years and is there any relationship between these possible changes with the export performance of the companies? Finally, the reasons by the managers for standardization vs. adaptation strategies used were not analyzed. Thus a more detailed analysis of the reasons for the strategies used would be of interest.

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