

## **MARKETING STRATEGY ADAPTATION AND EXPORT PERFORMANCE RELATIONSHIP IN SME EXPORTS - MODERATING EFFECTS OF SITUATIONAL FACTORS**

### Abstract

Standardization vs. adaptation of the marketing strategy 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 strategy. More recently the contingency view has received increasingly support. The relationship of the degree of standardization vs. adaptation with export performance has received less attention although increasing attention. Research results about the degree of standardization vs. adaptation used have been mixed and the same concerns also the results focusing on the relationship between degree of standardization and export performance. Most of the marketing mix strategy – performance studies have not taken into account the moderating effect of internal and external contingency factors. In addition a great share of the earlier studies have focused on analysis of marketing mix standardization vs. adaptation and the relationship with performance in large companies and on firms originating in the USA, Germany, the UK, and/or Japan. There have been clearly more limitedly studies focusing on the strategies and strategy-performance relationship of SMEs and firms coming from smaller countries as well on multi-country studies.

The goal of this study is to analyze the relationship between degree of standardization vs. adaptation of the marketing strategy and export performance 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 410 SMEs originating from Finland, Greece and Italy. The results based on the OLS-regression analysis indicate that only product strategy adaptation has a direct relationship with the export performance. Furthermore, the more detailed analysis concerning the moderating impact of selected contingency factors on the relationship between adaptation of marketing strategy elements and performance indicate some variation depending on the origin of the company.

*Key words: standardization, adaptation, situational factors, export performance, SME*

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## **1. INTRODUCTION**

The rise of the importance of international business for national economies over the last decades has also increased the number of research articles focusing on export related topics. Leonidou and Katsikeas (2010, p.880) identified in their review altogether 821 articles focusing on exports. The number of articles in period 1960-2007 illustrates quite well the increasing interest in export issues. In their review seven major thematic groups were recognized, among which strategic aspects, specifically international marketing strategy, and export performance were among the most researched topics. From these the contributions in the export performance issue increased from 6% in 1960-1979 to 28% in 2000-2007.

In international marketing strategies, the key focus areas have been the degree of standardization vs. adaptation of various marketing strategy elements; especially which internal and external factors influence the degree of standardization/adaptation of the marketing mix variables and what are the implications of marketing strategy decision on performance. Apparently the most well-known review article from the standardization vs. adaptation and export performance relationship is the one by Theodosiou and Leonidou (2003) based on 36 articles published in 1975-2001 and a more recent review by Schmid and Kotulla (2011) based on 307 and 330 articles published before 2010. Schmid and Kotulla (2009) identified that over 40 % of the studies were published during 2002-2008 indicating the increasing interest towards standardization vs. adaptation analysis. Based on their reviews (Theodosiou & Leonidou, 2003; Schmid & Kotulla, 2011) the main interest has so far focused on the international product (32% and 65% respectively) and communication (32% and 77% respectively) strategies. Pricing strategy (22% and 43% respectively) and distribution strategy

have received (14% and 42% respectively) less attention. Thus, although recently also other marketing elements have received increasing attention, the number of studies exploring the degree of standardization of all four main marketing strategy elements (product, price, distribution, and communication) at the same time is still limited (see e.g. Shoham, 1998 & 2002; Sousa & Lengler, 2009; Stoian, Rialp & Rialp, 2009) and even less analyze the link with export performance. Theodosiou and Leonidou (2003) identified in 50% of the articles which they reviewed that the performance issue had been covered. However, only in 28% of the studies strategy-performance relationship was in the center of investigations. In the review by Schmid and Kotulla (2009) the relationship of the marketing mix strategy with export performance, has been analyzed in less than 25 % of the studies made.

The above mentioned reviews indicate that the results of the marketing mix strategy and performance relationships have been quite contradictory. Confusing results can be explained, at least partly, by the fact that mostly direct relationship between marketing mix strategies and performance has been studied without taking the context into account (Theodosiou & Leonidou, 2003) in other words the fit between situational factors and chosen strategy has not been taken into account (Schmid and Kotulla, 2011). Schmid and Kotulla (2011) specifically found out that 274 out of the 330 articles (83%) give recommendations how firms should standardize / adapt their international marketing in order to improve performance. However, only 32 out of the 274 articles (12%) are based on the concept of situation-strategy fit. (Schmid & Kotulla, 2011, p.494). The rest of the studies (242 representing 88%), raises criticism because they either assume that context does not have a role in the relationship between marketing strategy and performance, give recommendations without actually studying the performance outcome of a specific degree of standardization / adaptation or even though they take into account the specific situation and the performance outcome of a specific degree of standardization / adaptation they disregard the performance relevant situation-

strategy fit (ibid.). Thus, there is still need for studies which focus on exploring the relationship between marketing strategy adaptation-standardization and export performance taking into account the situational factors in order to increase the clarity for this complex issue.

Additional feature in the marketing strategy 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 (Theodosiou & Leonidou, 2003). 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. In addition most studies so far have focused on the strategies used by firms from single countries and thus the amount of multi-country studies conducted in international marketing mix field is limited (see e.g. Calantone et al. 2006; Kustin, 2010). This is illustrated also in the review results by Leonidou and Katsikeas (2010) who found that only 14% out of the 638 empirical export related studies were multi-country studies. The geographical focus in majority of the studies is still North America and in Europe with the U.K. providing the locus for most of the studies, even though a significant reduction in the share of North American studies can be seen over time, with a corresponding sharp increase in research in Europe and other regions (ibid.)

Taking into account the limitations in prior studies discussed above, the goal of this study is to analyze the moderating role of four situational factors on the relationship between the degree of standardization vs. adaptation of the marketing strategy elements and export performance by SMEs in their foreign sales. In more detail the goal is to analyze the relationship between the degree of adaptation of the four key marketing strategy elements - product, price, distribution, and communication - and export performance using both

objective and subjective measures of export performance. Resource-based view (RBV) is used as a basis to analyze the studied relationships.

RBV has become one of the most influential frameworks in several research disciplines (Barney, Wright & Ketchen, 2001). Most of the key developments are based on the work by Wernerfelt (1984) and Barney (1991) who are considered as the two key contributors for the development of the RBV. Even though marketing is one of the research fields in which RBV has been applied, marketing scholars have applied RBV to only a limited extent. However, applying RBV can refine and extend the traditional frames of analysis in marketing (Srivastava, Fahey & Christensen, 2001).

In RBV, strategy is understood as a way of exploiting a firm's resources and developing or acquiring new resources for the firm to generate economic success (Wong & Merrilees, 2007). Because of its focus on developing strategy, RBV offers a theoretical approach to explain why certain factors may moderate the relationship between the degree of standardization / adaptation and performance. RBV sees resources as the sources of competitive advantage. However, in order to maintain the potential of competitive advantage, a firm's resources must be valuable, rare, imperfectly imitable and not having strategically equivalent substitutes (Barney, 1991). Competitive advantage, on the other hand, may be defined as "the strengths of a firm relative to the competition in a specific arena or in a particular context" (Viswanathan & Dickson, 2007, p. 52). However, for the decision whether to standardize or adapt the international marketing mix strategy instead of just identifying the potential sources of competitive advantage, it is even more important to consider whether the competitive advantage can be transferred from one market to other markets. Viswanathan and Dickson (2007) argue that similarity in the nature of competitive advantage in different markets would mean that competitive advantage is transferable and thus would encourage to higher degree of standardization of marketing mix strategies. They identify three conditions

that are prerequisites for competitive advantage to be transferable. These are 1) core competence, 2) market power and 3) similarity of market. Thus, if a firm possesses core competences, has high degree of market power and is entering into markets which are similar to the existing ones, it should be encouraged to use of standardized marketing mix strategy.

This study should provide clearly new insights, especially empirical evidence, to the present knowledge of the marketing strategy elements – export performance relationship because of the relatively limited amount of research focusing on the issue in general, but especially because the study focuses on the strategies used by SMEs from three developed market economies and because the study applies the situation-strategy fit concept.

The structure of the study is as follows: In section two we will first make a general overview of the standardization/adaptation – export performance literature and secondly the research hypotheses for the empirical part of the study will be developed. In section three the key methodological and sample related issues are discussed. Section four presents the key results of the study. Finally, section five presents discussion, conclusions and proposals for future research avenues based on the study.

## **2. DEGREE OF STANDARDIZATION AND ADAPTATION OF MARKETING MIX STRATEGIES AND EXPORT PERFORMANCE**

In general, prior literature identifies three perspectives which guide the design of international marketing strategy so that it can compete effectively and efficiently in international markets (Theodosiou & Leonidou, 2003: 142). These are standardization, adaptation and contingency perspectives. Based on standardization approach, marketing mix strategies should be standardized, because markets are considered to become more similar in several respects and thus standardization allows achievement of economies-of-scale and the maintenance of a consistent, high-quality image worldwide (Shoham, 2002: 101). Proponents of adaptation, on

the other hand, argue that in spite of the globalization tendencies variations between markets are still great and require adaptations in marketing mix strategies. In a review by Shoham (2002), potential friction between exporter's headquarters and their local representatives seem to drive for using adaptation strategy. Contingency perspective, on the other hand, offers an approach to overcome the two extreme perspectives. According to contingency perspective standardization and adaptation are two ends of the same continuum where the degree of standardization/adaptation can vary depending on the contingency factors relating to a specific situation. (Theodosiou & Leonidou, 2003: 142).

The results of the direct effect of standardization / adaptation level of marketing mix strategies on performance are inconsistent (Theodosiou & Leonidou, 2003). Some studies have reported positive relationship (see e.g. Koh, 1991; Cavusgil & Zou, 1994; Shoham, 1998; Leonidou, Katsikeas & Samiee, 2002; Lee & Griffith, 2004) and some negative relationship (e.g. Cavusgil & Zou, 1994; Sousa & Bradley, 2009). However most of the results imply insignificant relationship (see e.g. Roth, 1995; Theodosiou & Leonidou, 2003; O'Cass & Julian, 2003; Stoian et al., 2009). The results may also vary depending on which one of the elements of the marketing mix strategy has been studied and how the performance has been measured (Shoham, 1998 & 2002; Sousa & Lengler, 2009). Thus, the before mentioned issues may partly explain the inconsistent results. However Theodosiou and Leonidou (2003, p. 167) argued that export performance is not directly related to the adoption of marketing strategy standardization or adaptation but rather on the extent that the adopted strategy matches the unique context that the firm is confronted by within a particular overseas market. The importance of situation-strategic fit to export performance is also emphasized by Schmid and Kotulla (2011). Therefore, confusing results can also be explained, by the fact, that mostly direct relationship between marketing mix strategies and performance has been studied without taking into account the context. Thus we suggest that

H1a: The level of standardization / adaptation of product strategy does not have direct relationship with performance.

H1b: The level of standardization / adaptation of price strategy does not have direct relationship with performance.

H1c: The level of standardization / adaptation of promotion strategy does not have direct relationship with performance.

H1d: The level of standardization / adaptation of distribution strategy does not have direct relationship with performance.

In the following, the effect of four moderating factors on the relationship between the level of standardization / adaptation of marketing mix strategies and performance will be analyzed. The moderating factors are firm size, number of target countries, speed of internationalization and product quality.

*Firm size:* Stoian et al. (2009) specifically studied whether firm size moderated the relationship between overall adapted marketing mix strategy and performance. They found that higher adaptation for larger firms leads to lower objective performance, but in the case of smaller firms there was no effect. However, when performance was measured by subjective measure (satisfaction to export performance) there was even clearer moderating effect. The relationship between adaptation and satisfaction was negative for larger firms, but positive for smaller firms. Sousa and Bradley (2008), on the other hand, found that larger firm size supported the use of more adapted pricing strategy. However, it is believed that larger firms can benefit from standardization more than smaller firms being able to make considerable investments in production capacity and thus make use of the economies of scale. Based on this assumption, we suggest that:

H2: The greater the size of the firm, more adapted marketing mix strategies will have a negative relationship with performance



*Number of target countries:* No studies could be identified exploring the potential role of number of target countries in moderating the relationship between marketing strategy mix and performance. However, a couple of studies have examined the effect of number of target countries on the degree of adaptation of marketing mix strategies. Cavusgil, Zou and Naidu (1993) found that adaptation of positioning and the use of a promotional approach was greater when a product was exported simultaneously to multiple markets, but the opposite result was noted for product elements, in which adaptation was higher when the product was exported to a single market. In addition, no significant differences in terms of adaptation were found for the packaging and labeling elements. Sousa and Bradley (2008), on the other hand, studied through a structural model the relationship between several antecedent factors – pricing strategy – performance. One of the antecedents included in the study was the number of target countries. They found a negative relationship with the adaptation level of a pricing strategy and performance. Prior results thus do not provide a clear indication of the relationship between the number of target countries and the degree of adaptation of all the marketing mix strategies. However, we can assume that the more concentrated the sales effort of the company is on a few markets, the less market power the firm has, and thus the conditions under which competitive advantage is transferable would not be met. This leads to the assumption that the lower the number of target countries the more adapted the marketing mix elements need to be – because of the lack of transferability of the competitive advantage – in order to improve performance. Thus we suggest that:

H3: The higher the number of target countries, more adapted marketing mix strategies will have a negative relationship with performance

*Speed:* 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 of firms and the strategies they use (see e.g. Rialp, Rialp & Knight, 2005).

Rapidly internationalized companies – companies making foreign sales within three years of establishment and where export sales rapidly reach an important level (forming at least 25 per cent of the total sales), are often known as International New Ventures, Born Globals or Born Internationals (ibid). Some of the key features of these types of companies are: they expand rapidly into several foreign markets, they often use more networking and strategic alliances in their operations than slowly internationalizing firms, and they often operate in high-tech sectors (ibid). The reason why firms are able to rapidly expand into several foreign markets is related to the possession of some core competencies. These include tacit knowledge of global opportunities and the capacity to leverage that knowledge in a way unmatched by competitors, as was identified by Peng (2001) in his review of the role of the RBV in international entrepreneurship. Possession of these core competencies makes it possible to transfer their competitive advantage across markets and supports the use of highly standardized marketing mix strategies leading to improved performance. Cases where firms internationalize more slowly and do not possess these core competencies the use of standardized strategies would not be as efficient. Thus, we suggest that:

H4: For born international firms more adapted marketing mix strategy will have negative relationship with performance.

*Product quality:* In the review by Theodisou and Leonidou (2003) no prior studies exploring the relationship between product quality and the level of adaptation in marketing strategies was found. After reviewing also the studies published after 2003, no studies studying the role of product quality could be identified. However, high quality product can be a source of competitive advantage that may lead to perceived customer benefits and act as an entry barrier to competition and so would have the characteristics of a core competence as proposed by Viswanathan and Dickson (2007, p. 53). This would mean conditions under which

competitive advantage is transferable are met and the use of a standardized marketing mix strategy would lead to higher performance. Thus, it is suggested that:

H5: The higher the quality of export product the more negative the relationship between the degree of adaptation of marketing mix strategies and performance.

Summary of the framework of the study is presented in figure 1.

### **3. METHODOLOGY, DATA COLLECTION AND SAMPLE**

The empirical part of the study is based on data collected in three European countries, namely from Finnish, Greece and Italian SMEs. The countries were chosen because they represent a variety of European realities with different levels of economic characteristics and degrees of internationalization.

Representative samples of international small and medium-sized firms were drawn from national company registers, the target respondent was the CEO or the most knowledgeable manager regarding international activities. The selection of target companies was based on four criteria, in that the firm: a) had 10-249 employees, b) had an annual turnover of less than 50 million euros c) operated in the manufacturing or ICT sectors, and e) had been established between 1960-2000.

The data was collected through mail survey with closed questions, the process taking place in the period from late 2006 and early 2007. The survey was developed together between researchers from the three European countries and pretested locally and translated into the respective country languages in order to increase understanding and enhance response rate. The total received number of responses was 663 consisting of 269 Finnish companies, 270 Greek companies and 124 Italian companies. However, the additional criteria for this study, that the company should have had a share of exports of at least 10% in 2005 and have two or

more export target countries in 2005, reduced the sample size into 410 companies consisting of 220 Finnish companies, 103 Greek companies and 87 Italian companies. However, not all information was available for all the cases and thus depending on the model the sample sizes in different regression models may be lower than the sample sizes mentioned above (see appendix 3). The statistical method used in the study is cross-sectional OLS-regression.

*Operationalization of the variables:*

Measures used in prior studies were adopted in the study. *Degree of adaptation* was measured by asking the respondents to rate the total degree of standardization of product, price, communication and distribution strategy (1=fully standardized...5=fully adapted). Similar type of multiple-point scales have been used in prior to measure the degree of standardization/adaptation (Theodosiou & Leonidou, 2003). In the measurement of *Firm size*, the most often used measures have been the number of employees (see e.g. Kustin, 2010) and turnover. In this study we adopt the first measure and thus firm size is measured by the number of employees in 2005. *Number of target countries* was measured by single item; respondents were asked to inform to how many countries the firm exported in 2005, representing similar type of measurement than e.g. in Hultman, Robson and Katsikeas (2009). Firm was classified as a *Born International* if it had started exporting within three years of establishment and its share of exports was by then at least 25% (see e.g. Baum, Schwens & Kabst, 2011). *Product quality* was measured asking the respondents to rate how well the statement “customers regard our product as of a higher quality than our competitors product” described the company, using 5-point Likert scale (= very poorly... 5= very well). *Export performance* is measured using both an objective measure and two subjective measures in order to avoid the criticized unidimensional measurement (Leonidou & Katsikeas, 2010). One of the most common export performance measures has been export intensity (see e.g. Shoham, 1998; Sousa & Lenger, 2009; Stoian, Rialp & Rialp, 2009). Thus, in order to

increase the comparability of results also in this study an objective performance measure of export intensity is utilized. In order to take into account the multidimensional nature of export performance, the degree of satisfaction in fulfilling the objectives set of for the exports (see eg. Stoian et al. 2009) and market share in main markets (see e.g. Roth, 1995; Alashban, Hayes, Zinkhan & Balaza, 2002; Stoian et al., 2009) is applied in the measurement. For descriptive statistics of the sample, please see appendix 1.

#### **4. RESULTS**

Before going through the results related to the hypotheses, it is worth considering the correlations between marketing strategies (appendix 2) and how the four marketing mix elements differ in their degree of standardization and /or adaptation (SA). The highest positive correlations are found between communication and distribution strategies, both in the total sample and in all three country subsamples. In addition, an interesting negative correlation (-0.015) between product and pricing strategies is found in Italian subsample.

Based on the means, presented in table 1, the degree of SA of product, communication and distribution strategies is very evenly matched although communication strategy is the least adapted. Pricing strategy, however, is clearly more adapted than the other marketing mix elements in the total sample. The similar situation can also be seen in the country subsamples. Nevertheless, there are some differences in the country subsamples. In general, based on the means Greek firms seem to utilize more adapted marketing strategies and Italian firms more standardized strategies than Finnish firms. In addition, analyzing those firms that have fully standardized or fully adapted the marketing mix elements, we can observe more differences. In the total and Finnish samples for product and communication elements, a fully standardized strategy has been more commonly employed than a fully adapted strategy. On the other hand, for the pricing and distribution element, full adaptation has been more

common than full standardization. The situation is, however, quite different in the Greek and Italian samples compared to the total sample and Finnish sample. In the Greek sample all the four marketing strategy elements are more often fully adapted than fully standardized. On the other hand, in the Italian sample, three marketing strategy elements (product, communication and distribution) are more often fully standardized than fully adapted. Thus, the results indicate that depending on the country of origin the degree of standardization and adaptation of marketing strategy elements differ.

Tables 1-6 in appendix 3 show the regression results for hypothesis testing. In *H1a-d* we suggested that the level of standardization / adaptation would not have a direct effect on export performance. As can be seen in the appendix 3, we found support for the suggestion in the case of price, communication and distribution strategies in the total sample and in the samples of Finnish, Greek and Italian firms.

None of the before mentioned strategies had a direct effect on any of the three performance types, thus *H1b-d* were supported. However, both in the total sample and Greek sample, product strategy did have direct positive effect on the export intensity. In addition, in the case of Finnish sample direct effect was found in all the three performance types indicating that adapting the export product increase the satisfaction in fulfilling the objectives set for the exports and market share and also increases the export intensity. Only in the case of Italian sample, product strategy did not have direct effect on any of the performance measures and thus the hypothesis *H1a* was only partly supported.

In the following, the potential moderating effect of firm size, number of target countries, speed of internationalization and product quality are examined. The summary of the findings can be seen in table 2. We hypothesized that the greater the *size of the firm*, more adapted marketing mix strategies would have a negative relationship with performance (*H2*). Only

limited support was found to this hypothesis. In the total sample we found some support for the interaction effect for one performance type. Based on the results *the more adapted the distribution strategy was, the lower was the export intensity for larger firms*, although the coefficient was low (0,001). In the country specific subsamples no support was found for the interaction effect in the case of product, communication and distribution strategy. However, the results from *Italian sample* differed from other country samples in the case of product strategy. The results indicate that the greater the size of Italian firms, more adapted product strategy would improve satisfaction with the market share, thus contrary to our suggestion.

Through hypothesis *H3* we suggested that ***number of target countries*** would moderate the relationship between marketing mix strategies and performance. The empirical results confirmed the suggestion in the *total sample and in the Finnish sample* only when the performance was measured by the *export intensity*. The more adapted was *product, price and communication strategy*, the lower was performance when there was increase in the number of target countries. The results indicate that when the number of target countries is high, more standardized product, price and communication strategy should be used in order to increase share of exports. No interaction effect was found in the case of distribution strategy in the total sample nor in the country subsamples. However, in the results of the *Greek and Italian* subsamples, *no support* was found for the negative outcomes of the interaction effect. On the contrary, in the *Greek* sample there was a significant positive interaction effect with *product* strategy adaptation indicating that the higher of the number of target countries the more adapted product strategy would increase the *satisfaction with market share*. Thus the results differed between Finnish and Greek and Italian companies.

In *H4* we hypothesized that in the case of ***International New Ventures*** more adapted marketing mix strategies would decrease performance. We found only limited support for the hypothesis in the case of *communication strategy* in the *total sample* when performance was

measured by *export intensity*. Thus, for INVs more standardized communication strategy should be used to increase the export intensity. However, no interaction effect was found among the Greek and Italian firms on any of the performance types. In case of Finnish firms, there was negative interaction effect with product strategy adaption on satisfaction in fulfilling the objectives set for exports indicating that Finnish INVs should use more standardized product strategy in order to improve the possibility to fulfill their export objectives.

Relating to the moderating role of ***product quality*** we assumed that the use of more adapted marketing mix strategies when the product quality is high (*H5*) would lower performance. We found *no support* for the hypothesis. On the other hand some *minor positive interaction* effect was found in the *total sample with product, pricing and communication strategies* implying that the higher the product quality, more adapted product and pricing strategy would increase the satisfaction for fulfilling objectives and improve the export intensity and that the more adapted communication strategy would increase the export intensity. In addition, both in the *Finnish sample and Italian sample some positive interaction* effects were found. In the case of Finnish companies more adapted product strategy would improve satisfaction on fulfilling objectives and more adapted product, price and communication strategy would improve the export intensity. In the case of Italian companies more adapted pricing strategy for higher quality products would improve both the satisfaction on fulfilling the objectives set for exports and market share.



## **5. DISCUSSION AND CONCLUSIONS**

The goal of this study was to analyze the moderating role of firm size, number of target countries, speed of internationalization and product quality on the relationship between the degree of standardization vs. adaptation of the marketing strategy elements and three export performance types by SMEs in their foreign sales. Five hypotheses were developed for the empirical part of the study, which was based on survey results from 410 Finnish, Greek and Italian SMEs (10-249 employees) with exports constituting at least 10 per cent of total sales and at least two export target countries in 2005. The descriptive results of the degree of standardization/adaptation of the marketing strategy elements are very interesting.

In general, price strategy is the most adapted and communication the most standardized marketing strategy element in the total sample and in the country subsamples. However, results also show clear country specific differences. Based on the means, the Greek firms use the most adapted and the Italian firms the most standardized marketing strategies. The differences in the degree of standardization and adaptation between the three countries could be partly explained by the export age of and the number of target countries of the exporting companies. Based on the descriptive statistics (Appendix 1.) the share of companies having over 15 years experience in exporting is much higher in Italian subsample than in the other two country subsamples. In addition, the number of target countries is highest in Italian sample and lowest in Greek sample. It may be that in the early stage of exporting, firms need to adapt their strategies in order to be able to sell their products in new markets, however, later on when the firm and its products are more familiar to the customers, it may be possible to utilize more standardized strategies. More detailed analysis of the type of target countries in the three subsamples also show that in the Greek subsample there was more variation in the level of economic development and cultural distance, which could explain the higher

adaptation level of marketing strategies in Greek subsample. Similarly, when the number of target countries increases it is more challenging to utilize adapted strategies. Nevertheless, that country of origin may also have important situational effect on decisions of degree of marketing strategy standardization/adaptation.

Findings related to the direct performance implications of the marketing strategy elements are in line with Shoham (2002) and Stoian et al. (2009) and support the criticism presented by Schmid and Kotulla (2011) that situation-strategic fit needs to be taken into account when trying to understand the performance implications. We found that price, communication and distribution strategy did not directly influence on any of the performance types. However, product strategy had in the total sample and in the case of Greek and Finnish cases direct positive effect on performance supporting the findings by e.g. Cavusgil and Zou (1994), Calantone et al. (2006) and Sousa and Lengler (2009). Nevertheless, only in the case of Italian firms none of the marketing strategy elements had a direct effect on performance.

Regarding the impact of four moderating factors – firm size, number of target countries, speed of internationalization and product quality – on the relationship between the level of adaptation in the marketing mix strategies and performance, the results are interesting. All the four studied factors had some moderating effect. The role of moderating factors varied depending on the marketing mix strategy, performance type and home country of the companies offering support for the argumentation of high context specificity of marketing strategy-performance relationship.

From the four studied situational factors, number of target countries and product quality did have most often the significant moderating effect on performance. However, the *number of target countries* moderated the marketing mix strategy and performance relationship only when performance was measured by export intensity. The results imply that when the number

of target countries is high, more standardized product, price and communication strategy should be used in order to increase the share of exports, but it would have no interactive effect on satisfaction in fulfilling the objectives set for exports and satisfaction in market share. The results are similar to Cavusgil et al. (2003) who found negative relationship between number of target countries and product strategy adaptation and to those by Sousa and Bradley (2008) who studied the degree of pricing adaptation and performance. On the other hand, ***product quality*** moderated the effect of product, pricing and communication strategies on the performance but contrary to the expectations. The results indicate that more adapted product, pricing and communication strategies should be applied when high quality products are exported. The results are surprising as high quality product could be assumed to have the characteristics of a core competence and thus conditions for the transferability of competitive advantage would be met and use of a standardized marketing mix strategy would lead to higher performance.

***Firm size*** and ***speed of internationalization*** (measured by INVs vs. slowly internationalizing) had the least moderating effect on performance. Both situational factors had moderating effect only on export intensity but with different marketing strategy element; firm size with distribution strategy and speed of internationalization with communication strategy. Thus, the results offer only moderate support for the prior findings by Stoian et al. (2009). When comparing the marketing strategy elements, distribution strategy seem to differ from the other marketing strategy elements. Only one of the situational factors, firm size, had a moderating effect with distribution strategy on performance. Thus, its influence on performance in these studied situations seems to be minimal.

However, when comparing the ***country specific samples*** the results indicate differences between Finnish companies and on the other hand Greek and Italian samples. In general, in the Finnish sample the situational factors seemed to have more moderating effects than in the

other two country samples so that all four situational factors had some moderating effect with some of the marketing strategy elements to some of the performance measures. Generally, the results based in the Finnish sample are quite similar than in the total sample. In addition, both in the Greek and Italian samples the few moderating effects were contrary to the expected ones and related only to the subjective performance measures when in the case of Finnish sample the significant relationships were mostly found in connection with the objective performance measure, export intensity. In the Greek sample only one significant moderation effect was found, indicating that the higher the number of target countries the more adapted product strategy would increase the satisfaction in market share in the main markets.

In the Italian sample, both firms size and product quality had some moderating effect pointing out that the higher the firm size the more adapted product strategy would improve the satisfaction in market share in the main markets and the higher the product quality the more adapted pricing strategy would improve the satisfaction in fulfilling the objectives set for the exports and in market share. The results are especially interesting when we take into account the fact that e.g. Italian firms utilized more standardized marketing strategies than the companies from Finland and Greece. The country differences indicate that the home country of the exporting company may also have an important moderating role in the marketing strategy-performance relationship. Thus cultural characteristics of the exporting countries and potentially the country of origin image may be important situational factors which need to be analysed in more detail.

The main contribution of the paper is regarded to be specifically in studying the moderating effect of four situational factors on the relationship between the degree of standardization/adaptation of marketing mix strategies and performance. Thus the results of the study give strong support for the basic idea presented in the contingency perspective and situation-strategy fit (see e.g. Theodosiu & Leonidou, 2003; Schmid & Kotulla, 2011) that the

appropriate level of standardization / adaptation of different marketing mix strategies depends on the situational factors and therefore it is the interaction effect of the level of adaptation of marketing mix strategy and contingency factors that has a role in performance. Secondly, the study contributes by exploring the role of the four marketing mix strategies at the same time and thirdly by investigating their influence on three performance types. Thus, the results clearly indicate that some context factors may have important moderating effect, but depending on the specific context factor, different marketing mix strategies and performance types are influenced. In addition, the study indicates that the country of origin of the companies may be an important situational factor, which needs to be taken into account. Therefore, the study provides new insights into marketing mix strategy – performance relationship. Furthermore, the focus was on the strategies used by SMEs and not on large MNCs as in most earlier studies and the study was based on multi-country data which has been limited in prior export related studies.

It is important to take into account that the results of this study are valid only in the main export countries exploited by the firms polled. It is noteworthy that the number of target countries was quite high for 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 and performance for each target country separately.

This study focused only on the analysis of degree of standardization versus 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 explore would be the more detailed analysis of the degree of standardization versus adaptation of various specific elements like branding, design, warranties, advertising, and sales methods. In addition, as the results indicate situational factors have different effect with different marketing strategy elements, it is not enough to have general level hypothesis assuming same

moderating effects for all marketing strategies, but rather to try to explore in more detail the linkages between individual market strategies and situational factors and thus utilize the situation-strategy fit concept more specifically. Besides, all the four situational factors included in the study were internal factors and thus the role of important external factors were not considered. Taking into account the similarities and differences of home and host countries of the exporting companies could also explain some of the differences found in the three country samples. It would also be interesting to explore the different combinations of the four marketing strategy elements and their link to performance. Another avenue to explore would be to study the role of management team characteristics on the degree of standardization / adaptation and performance.

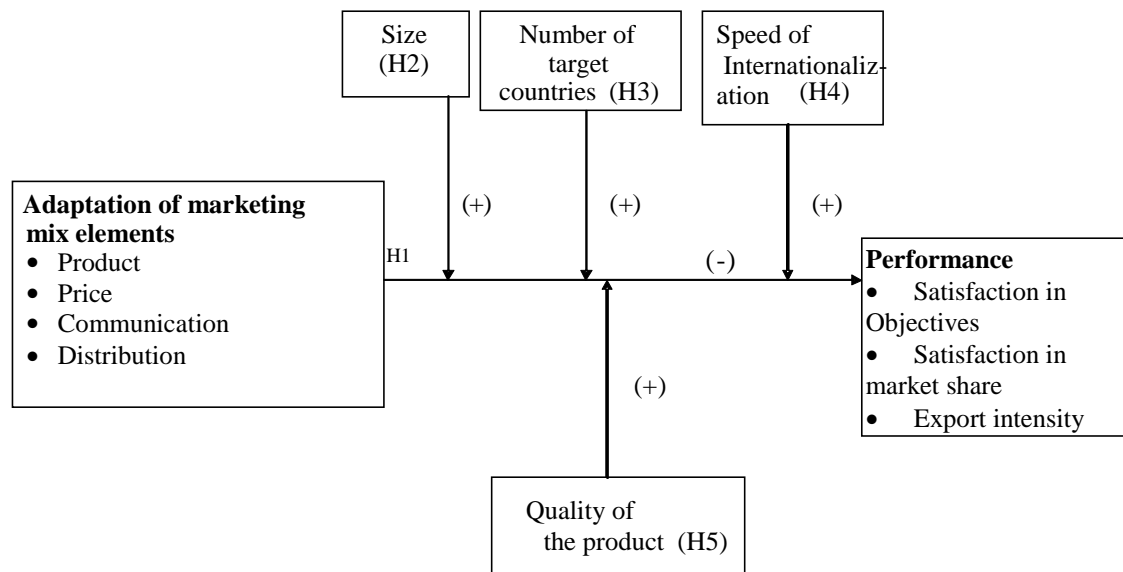
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Figure 1. Summary of the framework of the study.



**Table 1.** Distribution of standardization versus adaptation of marketing mix elements.

Means of variables were expressed with Osgood scale (neutral = 3; 1= fully standardized, 5= fully adapted).

Percentages show the fraction of responses that fell into each given category.

Mean and level of standardization / adaptation	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
<b>TOTAL</b>				
Mean	3,04	<b>3,41</b>	<b>3,00</b>	3,11
Fully standardized	<b>12,7 %</b>	7,6 %	<b>15,4 %</b>	11,7 %
Quite standardized	17,3 %	11,2 %	15,4 %	15,9 %
Neutral	31,0 %	27,8 %	28,5 %	31,0 %
Quite adapted	26,3 %	34,4 %	26,8 %	23,7 %
Fully adapted	10,0 %	<b>15,6 %</b>	9,5 %	<b>13,2 %</b>
Missing information	2,7 %	3,4 %	4,4 %	4,6 %
<b>FINLAND</b>				
Mean	<b>3,01</b>	<b>3,35</b>	<b>3,02</b>	3,09
Fully standardized	<b>13,6 %</b>	9,1 %	<b>13,6 %</b>	10,0 %
Quite standardized	16,4 %	12,3 %	15,0 %	18,6 %
Neutral	28,2 %	24,1 %	26,4 %	27,3 %
Quite adapted	29,5 %	34,5 %	30,5 %	24,5 %
Fully adapted	7,7 %	<b>14,5 %</b>	6,8 %	<b>11,4 %</b>
Missing information	4,5 %	5,5 %	7,7 %	8,2 %
<b>GREECE</b>				
Mean	3,40	<b>3,77</b>	<b>3,28</b>	3,48
Fully standardized	11,7 %	5,8 %	10,7 %	8,7 %
Quite standardized	8,7 %	2,9 %	13,6 %	8,7 %
Neutral	25,2 %	24,3 %	28,2 %	28,2 %
Quite adapted	35,0 %	40,8 %	30,1 %	33,0 %
Fully adapted	<b>18,4 %</b>	<b>25,2 %</b>	<b>16,5 %</b>	<b>20,4 %</b>

Missing information	1,0 %	1,0 %	1,0 %	1,0 %
<hr/>				
ITALY				
Mean	2,67	<b>3,10</b>	<b>2,61</b>	2,72
Fully standardized	<b>11,5 %</b>	5,7 %	<b>25,3 %</b>	<b>19,5 %</b>
Quite standardized	29,9 %	18,4 %	18,4 %	17,2 %
Neutral	44,8 %	41,4 %	34,5 %	43,7 %
Quite adapted	8,0 %	26,4 %	13,8 %	10,3 %
Fully adapted	5,7 %	<b>6,9 %</b>	8,0 %	9,2 %
Missing information	0,0 %	1,1 %	0,0 %	0,0 %
<hr/>				

**Table 2.** Summary of the moderating effects of situational factors and the degree of standardization /adaptation of marketing strategy elements.

M	FIRM SIZE												NO OF TARGET COUNTRIES												SPEED OF INTERNATIONALIZATION												PRODUCT QUALITY											
M S	PROD. STR.			PRICE STR.			COM. STR.			DIST. STR			PROD. STR.			PRICE STR.			COM. STR.			DIST. STR			PROD. STR.			PRICE STR.			COM. STR.			DIST. STR														
P	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3	P 1	P 2	P 3						
T	0	0	0	0	0	0	0	0	0	0	0	A	0	0	A	0	0	A	0	0	A	0	0	0	0	0	0	0	0	0	A	0	0	0	B	0	B	B	0	B	0	0	B	0	0	0		
F	0	0	0	0	A	0	0	0	0	0	0	0	0	0	A	0	0	A	0	0	A	0	0	0	A	0	0	0	0	0	0	0	0	0	0	0	B	0	B	0	0	B	0	0	B	0	0	0
G	0	0	0	0	0	0	0	0	0	0	0	0	0	B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
I	0	B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B	B	0	0	0	0	0	0	0	0	

M= Moderating factor

MS= Marketing strategy

P=Performance types

P1=Satisfaction in fulfilling the objectives set for the exports

P2= Satisfaction in market share in the main markets

P3=Export intensity (ratio of exports to total sales)

A=significant negative interaction effect

B= significant positive interaction effect

0= no significant effect

## APPENDICES

### Appendix 1. Descriptive statistics of the sample

	Total	Finland	Greece	Italy
Firm sizes:				
Total number of employees				
Mean	58	59	60	66
10-49 employees	250 (61%)	138 (63%)	66 (64%)	46 (53%)
50-249 employees	160 (39%)	82 (37%)	37 (36%)	41 (47%)
Export age:				
Year 2005 minus the years of starting the exports				
Mean	15,92	15,29	14,21	19,65
1-5 years	50	21	20	9
6-14 years	146	91	37	18
over 15 years	174	86	38	50
Speed of internationalization:				
Traditional (No exports within the first three years of establishment or share of exports <25%)	285	146	72	67
International New Ventures (Share of exports within the first three years ≥25%)	116	68	28	20
25-49%	40	25	4	11
50-74%	29	19	5	5
75-100%	47	24	19	4
Export dependence:				
Share of exports from total sales in 2005				
Mean	50,5%	53,3%	45,8%	49,0%
10-24%	96	41	34	21
25-49%	109	60	29	20
50-74%	99	57	14	28
75-100%	96	57	21	18
Product quality:				
Rate how well the following statement describes your company: "Customers regard our product as higher quality than our competitors product" (scale 1= very poor ... 5=very well).				
Mean	4,06	3,94	4,23	4,13
Describes very poorly - medium	86	51	18	17
Describes well	190	108	43	39
Describes very well	118	45	42	31
Number of target countries in 2005				
Mean	15,14	14,93	10,91	20,66
2-4 target countries	79	38	35	6
5-9 target countries	107	58	31	18
10-19 target countries	103	56	18	29
over 20 target countries	121	68	19	34

## Appendix 2. Correlation matrix of marketing mix strategies (Pearson's coefficients).

TOTAL	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
Product strategy	1			
Pricing strategy	<b>0,334<sup>b</sup></b>	1		
Communication strategy	<b>0,335<sup>b</sup></b>	<b>0,320<sup>b</sup></b>	1	
Distribution strategy	<b>0,334<sup>b</sup></b>	<b>0,442<sup>b</sup></b>	<b>0,511<sup>b</sup></b>	1

FINLAND	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
Product strategy	1			
Pricing strategy	<b>0,393<sup>b</sup></b>	1		
Communication strategy	<b>0,368<sup>b</sup></b>	<b>0,404<sup>b</sup></b>	1	
Distribution strategy	<b>0,351<sup>b</sup></b>	<b>0,473<sup>b</sup></b>	<b>0,531<sup>b</sup></b>	1

GREECE	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
Product strategy	1			
Pricing strategy	<b>0,244<sup>a</sup></b>	1		
Communication strategy	<b>0,298<sup>b</sup></b>	0,051	1	
Distribution strategy	<b>0,275<sup>b</sup></b>	<b>0,241<sup>a</sup></b>	<b>0,393<sup>b</sup></b>	1

ITALY	Product strategy	Pricing strategy	Communication strategy	Distribution strategy
Product strategy	1			
Pricing strategy	-0,015	1		
Communication strategy	0,097	<b>0,216<sup>a</sup></b>	1	
Distribution strategy	0,098	<b>0,416<sup>b</sup></b>	<b>0,479<sup>b</sup></b>	1

Levels of statistical significance: a < 0,05; b < 0,01

## Appendix 3

**Table 1.** Direct impacts of the standardization versus adaptation of marketing mix elements on the export performance for SME's in the total sample and in Finland.

(Figures show unstandardized coefficients of ordinal scale regression to each performance variable.

F variable is derived from ANOVA of multiple regression.)

TOTAL	Model 1 Performance 1 Compared to goals	Model 2 Performance 2 Market share	Model 3 Performance 3 Share of exports
Variable			
Firm size	0,000	0,000	0,000
Product quality	<b>0,255<sup>b</sup></b>	<b>0,134<sup>b</sup></b>	0,025
Number of target countries	<b>0,009<sup>b</sup></b>	0,003	<b>0,007<sup>b</sup></b>
Born global	<b>0,242<sup>b</sup></b>	0,153	<b>-0,227<sup>b</sup></b>
Adaptation of the product	0,040	0,034	<b>0,041<sup>b</sup></b>
Adaptation of the price	0,052	0,045	-0,004
Adaptation of the communication	0,004	0,068	-0,016
Adaptation of the distribution	0,039	-0,024	-0,009

Constant	1,606	2,014	0,655
Adjusted R Square	0,068	0,019	<b>0,304</b>
F (ANOVA)	<b>4,132<sup>b</sup></b>	<b>1,829<sup>a</sup></b>	<b>20,515<sup>b</sup></b>
N	346	337	358

#### FINLAND

Variable	Model 1 Performance 1 Compared to goals	Model 2 Performance 2 Market share	Model 3 Performance 3 Share of exports
Firm size	-0,001	-0,001	-0,001
Product quality	<b>0,310<sup>b</sup></b>	<b>0,168<sup>b</sup></b>	<b>0,050<sup>b</sup></b>
Number of target countries	<b>0,011<sup>a</sup></b>	<b>-0,009<sup>a</sup></b>	<b>0,010<sup>b</sup></b>
Born global	<b>0,382<sup>b</sup></b>	0,185	<b>-0,157<sup>b</sup></b>
Adaptation of the product	<b>0,150<sup>b</sup></b>	<b>0,141<sup>b</sup></b>	<b>0,044<sup>b</sup></b>
Adaptation of the price	-0,003	-0,002	-0,009
Adaptation of the communication	-0,076	0,008	-0,023
Adaptation of the distribution	0,007	-0,023	0,007
Constant	1,121	2,154	0,438
Adjusted R Square	0,083	0,064	<b>0,342</b>
F (ANOVA)	<b>2,799<sup>b</sup></b>	<b>2,282<sup>b</sup></b>	<b>12,020<sup>b</sup></b>
N	159	150	171

Statistical significance levels: a <= 0,1; b <= 0,05

**Table 2.** Direct impacts of the standardization versus adaptation of marketing mix elements on the export performance for SME's in Greece and in Italy.

(Figures show unstandardized coefficients of ordinal scale regression to each performance variable.

F variable is derived from ANOVA of multiple regression.)

#### GREECE

Variable	Model 1 Performance 1 Compared to goals	Model 2 Performance 2 Market share	Model 3 Performance 3 Share of exports
Firm size	0,001	0,000	0,000
Product quality	<b>0,245<sup>b</sup></b>	<b>0,270<sup>b</sup></b>	0,018
Number of target countries	0,004	0,012	<b>0,005<sup>b</sup></b>
Born global	-0,033	0,006	<b>-0,405<sup>b</sup></b>
Adaptation of the product	0,028	-0,005	<b>0,040<sup>a</sup></b>
Adaptation of the price	0,047	0,097	-0,003
Adaptation of the communication	-0,008	0,068	-0,007
Adaptation of the distribution	-0,056	-0,038	-0,023
Constant	2,213	1,465	1,001
Adjusted R Square	-0,016	0,018	<b>0,414</b>
F (ANOVA)	0,800	1,229	<b>9,817<sup>b</sup></b>
N	101	101	101

#### ITALY

Variable	Model 1 Performance 1 Compared to goals	Model 2 Performance 2 Market share	Model 3 Performance 3 Share of exports
Firm size	0,000	0,001	0,000
Product quality	0,196	-0,007	0,030
Number of target countries	0,010	0,010	<b>0,006<sup>b</sup></b>
Born global	<b>0,504<sup>b</sup></b>	0,391	-0,086

Adaptation of the product	-0,083	-0,037	0,023
Adaptation of the price	0,144	0,130	0,002
Adaptation of the communication	0,112	0,127	-0,024
Adaptation of the distribution	-0,077	-0,024	-0,009
Constant	1,266	1,721	0,398
Adjusted R Square	0,052	0,000	0,143
F (ANOVA)	1,585	1,005	<b>2,772<sup>b</sup></b>
N	86	86	86

Statistical significance levels: a <= 0,1; b <= 0,05

**Table 3.** Impact of firm and product factors on moderating product, price communication and distribution strategies (standardization versus adaptation) as reflected in export performances for SME's in the total sample. (Figures show unstandardized coefficients of multiple regression to each performance variable.)

#### TOTAL

	Model 4 Performance 1 Compared to goals	Model 5 Performance 2 Market share	Model 6 Performance 3 Share of exports	Model 7 Performance 1 Compared to goals	Model 8 Performance 2 Market share	Model 9 Performance 3 Share of exports
Variable						
Firm size	-0,001	-0,003	-0,001	0,003	0,004	0,001
Product quality	0,094	0,138	-0,044	0,035	0,102	-0,028
Number of target countries	0,014	-0,006	<b>0,013<sup>b</sup></b>	0,017	0,001	<b>0,014<sup>b</sup></b>
Born global	<b>0,598<sup>b</sup></b>	0,227	<b>-0,148<sup>b</sup></b>	<b>0,544<sup>a</sup></b>	-0,015	<b>-0,173<sup>b</sup></b>
Adaptation of the product				0,037	0,029	<b>0,038<sup>b</sup></b>
Adaptation of the price	0,056	0,055	-0,005			
Adaptation of the communic.	-0,002	0,065	-0,016	-0,005	0,062	-0,016
Adaptation of the distribution	-0,042	-0,027	-0,009	-0,035	-0,023	-0,008
ProductStr_x_Firmsize	0,000	0,001	0,000			
ProductStr_x_ProductQua	<b>0,056<sup>a</sup></b>	-0,003	<b>0,024<sup>b</sup></b>			
ProductStr_x_TargetCou	-0,002	0,003	<b>-0,002<sup>b</sup></b>			
ProductStr_x_BornGlo	-0,116	-0,024	-0,027			
PriceStr_x_Firmsize				-0,001	-0,001	0,000
PriceStr_x_ProductQua				<b>0,066<sup>a</sup></b>	0,009	<b>0,016<sup>a</sup></b>
PriceStr_x_TargetCou				-0,002	0,000	<b>-0,002<sup>b</sup></b>
PriceStr_x_BornGlo				-0,093	0,047	-0,018
Constant	1,664	2,139	0,768	1,787	2,211	0,653
Adjusted R Square	0,066	0,021	<b>0,312</b>	0,069	0,019	<b>0,316</b>
F (ANOVA)	<b>3,228<sup>b</sup></b>	<b>1,669<sup>a</sup></b>	<b>15,731<sup>b</sup></b>	<b>3,324<sup>b</sup></b>	<b>1,577<sup>b</sup></b>	<b>15,966<sup>b</sup></b>
N	346	337	358	346	337	358

	Model 10 Performance 1 Compared to goals	Model 11 Performance 2 Market share	Model 12 Performance 3 Share of exports	Model 13 Performance 1 Compared to goals	Model 14 Performance 2 Market share	Model 15 Performance 3 Share of exports
Variable						
Firm size	0,001	0,001	0,000	0,004	0,001	<b>0,002<sup>b</sup></b>
Product quality	0,172	0,063	-0,023	0,101	0,040	-0,011
Number of target countries	0,002	-0,004	<b>0,012<sup>b</sup></b>	<b>0,017<sup>a</sup></b>	0,002	<b>0,009<sup>b</sup></b>
Born global	<b>0,486<sup>b</sup></b>	0,198	<b>-0,131<sup>b</sup></b>	<b>0,545<sup>b</sup></b>	0,388	<b>-0,181<sup>b</sup></b>
Adaptation of the product	0,040	0,032	<b>0,043<sup>b</sup></b>	0,038	0,029	<b>0,041<sup>b</sup></b>
Adaptation of the price	0,053	0,043	-0,004	0,054	0,041	-0,005
Adaptation of the communic.				-0,009	0,058	-0,019
Adaptation of the distribution	-0,041	-0,032	-0,012			
CommunStr_x_Firmsize	0,000	0,000	0,000			
CommunStr_x_ProductQua	0,025	0,023	<b>0,016<sup>a</sup></b>			
CommunStr_x_TargetCou	0,002	0,002	<b>-0,002<sup>a</sup></b>			
CommunStr_x_BornGlo	-0,080	-0,014	<b>-0,032<sup>a</sup></b>			
DistrStr_x_Firmsize				-0,001	0,000	<b>-0,001<sup>b</sup></b>

DistrStr_x_ProductQua				0,052	0,031	0,012
DistrStr_x_TargetCou				-0,003	0,000	-0,001
DistrStr_x_BornGlo				-0,094	-0,072	-0,013
Constant	1,626	2,260	0,606	1,430	1,979	0,617
Adjusted R Square	0,065	0,014	<b>0,312</b>	0,077	0,014	<b>0,315</b>
F (ANOVA)	<b>3,183<sup>b</sup></b>	1,442	<b>15,698<sup>b</sup></b>	<b>3,631<sup>b</sup></b>	1,423	<b>15,922<sup>b</sup></b>
N	346	337	358	346	337	358

Statistical significance levels: a <= 0,1; b <= 0,05

**Table 4.** Impact of firm and product factors on moderating product, price, communication and distribution strategies (standardization versus adaptation) as reflected in export performances for SME's in Finland. (Figures show unstandardized coefficients of multiple regression to each performance variable.)

#### FINLAND

Variable	Model 4 Performance 1 Compared to goals	Model 5 Performance 2 Market share	Model 6 Performance 3 Share of exports	Model 7 Performance 1 Compared to goals	Model 8 Performance 2 Market share	Model 9 Performance 3 Share of exports
Firm size	-0,003	-0,005	-0,001	0,006	0,007	0,000
Product quality	-0,097	0,159	-0,037	0,113	0,133	-0,017
Number of target countries	0,015	-0,019	<b>0,024<sup>b</sup></b>	0,022	-0,002	<b>0,021<sup>b</sup></b>
Born global	<b>1,171<sup>b</sup></b>	0,138	-0,131	0,494	-0,187	-0,112
Adaptation of the product				<b>0,139<sup>a</sup></b>	0,117	<b>0,038<sup>b</sup></b>
Adaptation of the price	0,025	0,019	-0,018			
Adaptation of the communic.	-0,095	0,000	-0,021	-0,088	<b>-0,007<sup>b</sup></b>	-0,029
Adaptation of the distribution	-0,025	-0,027	0,008	-0,014	-0,040	0,002
ProductStr_x_Firmsize	0,000	0,001	0,000			
ProductStr_x_ProductQua	<b>0,138<sup>b</sup></b>	0,002	<b>0,029<sup>b</sup></b>			
ProductStr_x_TargetCou	-0,002	0,003	<b>-0,004<sup>b</sup></b>			
ProductStr_x_BornGlo	<b>-0,248<sup>b</sup></b>	0,020	-0,011			
PriceStr_x_Firmsize				-0,002	<b>-0,002<sup>b</sup></b>	0,000
PriceStr_x_ProductQua				0,062	0,010	<b>0,021<sup>a</sup></b>
PriceStr_x_TargetCou				-0,004	-0,002	<b>-0,003<sup>b</sup></b>
PriceStr_x_BornGlo				-0,042	0,101	-0,018
Constant	1,517	2,540	0,595	1,282	2,387	0,482
Adjusted R Square	0,103	0,059	<b>0,372</b>	0,089	0,081	<b>0,359</b>
F (ANOVA)	<b>2,645<sup>b</sup></b>	<b>1,846<sup>a</sup></b>	<b>10,139<sup>b</sup></b>	<b>2,408<sup>b</sup></b>	<b>2,196<sup>b</sup></b>	<b>9,649<sup>b</sup></b>
N	159	150	171	159	150	171

Variable	Model 10 Performance 1 Compared to goals	Model 11 Performance 2 Market share	Model 12 Performance 3 Share of exports	Model 13 Performance 1 Compared to goals	Model 14 Performance 2 Market share	Model 15 Performance 3 Share of exports
Firm size	-0,003	-0,002	0,000	0,004	0,005	0,001
Product quality	0,284	0,267	-0,031	0,164	0,037	0,021
Number of target countries	-0,001	-0,017	<b>0,021<sup>b</sup></b>	0,023	0,006	<b>0,014<sup>b</sup></b>
Born global	<b>0,711<sup>a</sup></b>	-0,001	-0,016	0,469	0,170	<b>0,177<sup>a</sup></b>
Adaptation of the product	<b>0,135<sup>a</sup></b>	<b>0,141<sup>b</sup></b>	<b>0,045<sup>b</sup></b>	<b>0,147<sup>b</sup></b>	<b>0,133<sup>b</sup></b>	<b>0,044<sup>b</sup></b>
Adaptation of the price	0,015	0,005	-0,020	-0,021	-0,035	-0,015
Adaptation of the communic.				-0,089	-0,018	-0,027
Adaptation of the distribution	-0,001	-0,017	0,001			
CommunStr_x_Firmsize	0,001	0,000	0,000			
CommunStr_x_ProductQua	0,007	-0,033	<b>0,027<sup>a</sup></b>			
CommunStr_x_TargetCou	0,003	0,002	<b>-0,003<sup>b</sup></b>			
CommunStr_x_BornGlo	-0,111	0,057	-0,043			
DistrStr_x_Firmsize				-0,002	-0,002	0,000
DistrStr_x_ProductQua				0,052	0,050	0,011
DistrStr_x_TargetCou				-0,004	-0,005	-0,001
DistrStr_x_BornGlo				-0,027	0,001	0,006



Constant	0,955	2,162	0,390	1,201	2,227	0,474
Adjusted R Square	0,078	0,048	<b>0,361</b>	0,085	0,082	<b>0,345</b>
F (ANOVA)	<b>2,221<sup>b</sup></b>	<b>1,687<sup>a</sup></b>	<b>9,740<sup>b</sup></b>	<b>2,342<sup>b</sup></b>	<b>2,207<sup>b</sup></b>	<b>9,157<sup>b</sup></b>
N	159	150	171	159	150	171

Statistical significance levels: a <= 0,1; b <= 0,05

**Table 5.** Impact of firm and product factors on moderating product, price, communication and distribution strategies (standardization versus adaptation) as reflected in export performances for SME's in Greece. (Figures show unstandardized coefficients of multiple regression to each performance variable.)

#### GREECE

Variable	Model 4 Performance 1 Compared to goals	Model 5 Performance 2 Market share	Model 6 Performance 3 Share of exports	Model 7 Performance 1 Compared to goals	Model 8 Performance 2 Market share	Model 9 Performance 3 Share of exports
Firm size	-0,001	0,001	-0,001	-0,001	-0,003	0,001
Product quality	<b>0,590<sup>b</sup></b>	0,392	-0,044	0,123	0,341	0,010
Number of target countries	-0,027	-0,049	0,004	-0,011	0,003	0,008
Born global	-0,709	-0,066	<b>-0,304<sup>b</sup></b>	0,347	-0,242	<b>-0,418<sup>b</sup></b>
Adaptation of the product				0,040	0,002	<b>0,038<sup>a</sup></b>
Adaptation of the price	0,057	0,102	0,000			
Adaptation of the communic.	0,000	0,077	-0,004	-0,013	0,068	-0,007
Adaptation of the distribution	-0,028	-0,032	-0,024	-0,056	-0,043	-0,022
ProductStr_x_Firmsize	0,000	0,000	0,000			
ProductStr_x_ProductQua	-0,102	-0,040	0,017			
ProductStr_x_TargetCou	0,008	<b>0,017<sup>a</sup></b>	0,000			
ProductStr_x_BornGlo	0,180	0,005	-0,031			
PriceStr_x_Firmsize				0,001	0,001	0,000
PriceStr_x_ProductQua				0,031	-0,019	0,002
PriceStr_x_TargetCou				0,004	0,003	-0,001
PriceStr_x_BornGlo				-0,103	0,064	0,004
Constant	2,316	1,582	1,144	2,399	1,835	0,988
Adjusted R Square	-0,018	0,038	<b>0,410</b>	-0,041	-0,009	<b>0,397</b>
F (ANOVA)	<b>0,840<sup>b</sup></b>	1,355	<b>7,328<sup>b</sup></b>	0,641	0,918	<b>6,982<sup>b</sup></b>
N	101	101	101	101	101	101

Variable	Model 10 Performance 1 Compared to goals	Model 11 Performance 2 Market share	Model 12 Performance 3 Share of exports	Model 13 Performance 1 Compared to goals	Model 14 Performance 2 Market share	Model 15 Performance 3 Share of exports
Firm size	0,002	0,004	-0,001	0,003	-0,006	0,002
Product quality	0,220	0,056	-0,038	0,175	0,256	-0,085
Number of target countries	-0,016	-0,012	0,009	-0,013	-0,007	0,006
Born global	0,174	0,444	<b>-0,267<sup>a</sup></b>	0,358	0,312	-0,160
Adaptation of the product	0,036	-0,008	<b>0,045<sup>b</sup></b>	0,031	0,010	0,034
Adaptation of the price	0,040	0,085	-0,003	0,055	0,084	-0,001
Adaptation of the communic.				0,004	0,077	-0,012
Adaptation of the distribution	-0,048	-0,042	-0,025			
CommunStr_x_Firmsize	0,000	-0,001	0,000			
CommunStr_x_ProductQua	0,006	0,064	0,015			
CommunStr_x_TargetCou	0,006	0,007	-0,001			
CommunStr_x_BornGlo	-0,060	-0,120	-0,043			
DistrStr_x_Firmsize				0,000	0,002	0,000
DistrStr_x_ProductQua				0,018	-0,002	0,029
DistrStr_x_TargetCou				0,004	0,005	0,000
DistrStr_x_BornGlo				-0,108	-0,106	-0,064
Constant	2,156	1,677	1,006	1,931	1,523	0,907
Adjusted R Square	-0,041	0,018	<b>0,404</b>	-0,035	0,016	<b>0,416</b>

F (ANOVA)	0,642	1,164	<b>7,171<sup>b</sup></b>	0,691	1,144	<b>7,465<sup>b</sup></b>
N	101	101	101	101	101	101

Statistical significance levels: a <= 0,1; b <= 0,05

**Table 6.** Impact of firm and product factors on moderating product, price, communication and distribution strategies (standardization versus adaptation) as reflected in export performances for SME's in Italy. (Figures show unstandardized coefficients of multiple regression to each performance variable.)

## ITALY

Variable	Model 4 Performance 1 Compared to goals	Model 5 Performance 2 Market share	Model 6 Performance 3 Share of exports	Model 7 Performance 1 Compared to goals	Model 8 Performance 2 Market share	Model 9 Performance 3 Share of exports
Firm size	-0,002	-0,012	-0,001	0,008	0,011	0,001
Product quality	0,226	0,337	0,031	-0,622	<b>-0,796<sup>a</sup></b>	-0,008
Number of target countries	0,029	0,030	0,008	0,032	0,023	<b>0,013<sup>b</sup></b>
Born global	0,399	-0,246	-0,132	<b>1,719<sup>a</sup></b>	1,600	-0,102
Adaptation of the product				-0,078	-0,040	0,029
Adaptation of the price	0,160	0,179	0,004			
Adaptation of the communic.	0,112	0,087	-0,027	0,117	0,121	-0,020
Adaptation of the distribution	-0,065	-0,036	-0,008	-0,072	-0,017	-0,009
ProductStr_x_Firmsize	0,001	<b>0,005<sup>a</sup></b>	0,000			
ProductStr_x_ProductQua	-0,012	-0,154	-0,002			
ProductStr_x_TargetCou	-0,007	-0,007	-0,001			
ProductStr_x_BornGlo	0,041	0,268	0,018			
PriceStr_x_Firmsize				-0,003	-0,003	0,000
PriceStr_x_ProductQua				<b>0,260<sup>b</sup></b>	<b>0,252<sup>a</sup></b>	0,012
PriceStr_x_TargetCou				-0,006	-0,003	-0,002
PriceStr_x_BornGlo				-0,388	-0,388	0,002
Constant	0,932	1,706	0,461	1,640	2,083	0,387
Adjusted R Square	0,028	0,018	0,114	0,077	0,019	0,130
F (ANOVA)	1,227	1,142	<b>1,996<sup>b</sup></b>	1,647	1,150	<b>2,158<sup>b</sup></b>
N	86	86	86	86	86	86

Variable	Model 10 Performance 1 Compared to goals	Model 11 Performance 2 Market share	Model 12 Performance 3 Share of exports	Model 13 Performance 1 Compared to goals	Model 14 Performance 2 Market share	Model 15 Performance 3 Share of exports
Firm size	0,000	-0,001	0,000	0,007	0,004	0,002
Product quality	0,146	0,103	-0,017	-0,029	-0,212	0,009
Number of target countries	0,025	0,009	<b>0,012<sup>b</sup></b>	0,021	-0,001	0,007
Born global	0,355	0,000	0,002	0,886	0,902	-0,077
Adaptation of the product	-0,056	-0,057	0,037	-0,032	-0,041	0,031
Adaptation of the price	0,166	0,118	0,013	0,164	0,104	0,004
Adaptation of the communic.				0,094	0,098	-0,028
Adaptation of the distribution	-0,073	-0,011	-0,013			
CommunStr_x_Firmsize	0,000	0,001	0,000			
CommunStr_x_ProductQua	0,025	-0,043	0,019			
CommunStr_x_TargetCou	-0,005	0,001	-0,002			
CommunStr_x_BornGlo	0,055	0,140	-0,032			
DistrStr_x_Firmsize				-0,002	-0,001	-0,001
DistrStr_x_ProductQua				0,086	0,075	0,008
DistrStr_x_TargetCou				-0,003	0,004	0,000
DistrStr_x_BornGlo				-0,140	-0,173	-0,004
Constant	1,350	2,163	0,243	0,804	1,745	0,348
Adjusted R Square	0,022	-0,032	0,134	0,061	-0,021	0,131
F (ANOVA)	1,170	0,758	<b>2,200<sup>b</sup></b>	1,506	0,839	<b>2,165<sup>b</sup></b>
N	86	86	86	86	86	86

Statistical significance levels: a <= 0,1; b <= 0,05

