“The Creation of the AdaptStand Process in International Marketing”

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The Creation of the AdaptStand Process in International Marketing

Demetris Vrontis

Abstract

The literature on international marketing debates two perspectives. On the one hand, those who support the standardisation approach argue that multinational companies' behaviour should be uniform to minimise total costs and promote a global corporate image. On the other hand, those who support the adaptation school of thought see the need for adaptation to fit the unique dimensions of each local market. This research consists of a questionnaire survey and investigates companies' practical level of adaptation and standardisation in international markets. It identified that both approaches coexist and it developed the AdaptStand Process, which aids practitioners in identifying the level of integration.

Introduction

Multinational companies (companies that compete in more than one country), in their aim to develop their business practices, increase profitability and overcome any problems related with the saturation of existing markers, expand their operations to overseas markets.

Within the field and literature of international marketing, when a company decides to begin marketing products abroad, a fundamental strategic decision is whether to use a standardised marketing mix (product, price, place, promotion, people, physical evidence, process management) and a single marketing strategy in all countries or whether to adjust the marketing mix and strategies to fit the unique dimensions of each local market. Some people see markets as becoming more similar and increasingly more global and believe that the key for survival is companies' ability to standardise. Others, point out the difficulties in using a standardised approach, and therefore support tailoring and market adaptation. However, literature quoting practical evidence suggests that companies make contingency choices, which relate to key determinants in each circumstance.

This research aims to investigate the practical complex relationship of the two extreme approaches (adaptation and standardisation) and suggest methods and ways in determining the right level of integration. This will increase the understanding and knowledge of the integrated approach and develop models to guide multinational companies compete effectively and efficiently within the international marketing arena.

Background Literature and Statement of the Problem

As we look around us, all we seem to see, in the marketing environment, is the confusion of change, the acceleration of uncertainty, feeling currently intensified by the new millennium with all its promises – and threats – of epochal change. This confusion, change, and complexity are even greater within the international world-wide marketing environment.

The debate over the amount or extent of standardisation or adaptation is of long duration. Vrontis and Vignali (1999) comment that the debate on this came under discussion as early as 1961, with Elinder (1961) considering the idea with regard to world wide advertising. In 1962, Marshall McLuhan first coined the term 'global village' (Paliwoda *et al*., 1995). This was further discussed by Roostal (1963) and Fatt (1964). Buzzell (1968) widened the debate by stating that it would encompass not just advertising, but the whole of the marketing mix.

Buzzel (1968) argues that in the past, dissimilarities among nations have led a multinational company to view and design its marketing planning in each country strictly as a local problem. However, the situation has changed, and the experiences of a growing number of multinational companies suggest that there are real potential gains to consider standardising the marketing mix elements.

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Supporters of standardisation believe that consumers' needs, wants and requirements do not vary across various markets and countries. They believe that the world is becoming increasingly more similar in both environmental and customer requirements, and no matter where they are consumers have the same demands. As they argue, standardisation of the marketing mix elements and the creation of a single strategy for the entire global market promise lower costs as well as consistency with customers.

Levitt (1983) argues that well-managed companies have moved from emphasis on customising items to offering globally standardised products that are advanced, functional, reliable and low priced. He also argues that multinational companies that concentrated on idiosyncratic consumer preferences have become ''befuddled and unable to take in the forest because of the trees''. Only global companies will achieve long-term success by concentrating on what everyone wants rather than worrying about the details of what everyone thinks they might like. According to Levitt (1983) the globalisation of markets is at hand. The global corporation operates with resolute constancy – at low relative cost – as if the entire world was a single entity; it sells the same things in the same way everywhere. With that, the international adaptation corporation which adjusts its products and practices in every market around the world at high relative costs nears its end.

However, the above is opposed by supporters of the international adaptation approach, who react directly to the sweeping and somewhat polemic character of their argumentation. The contrary case argues that globalisation seems to be as much an overstatement as it is an ideology and an analytical concept (Ruigrok and van Tulder, 1995). Lipman (1988) argues that the standardised marketing theory itself is bankrupt. Not only are cultural and other differences very much still in evidence, but marketing a single product one way everywhere can scare off customers, alienate employees, and blind a company to its customers' needs.

The fundamental basis of the adaptation school of thought, is that the marketer is subject to a new set of macroenvironmental factors, to different constraints such as language, climate, race, topography, occupations, education, taste, and to quite frequent conflicts resulting from different laws, cultures, and societies (Czinkota and Ronkainen, 1998). It is evident that people in different countries speak different languages; rules and regulations differ across national borders; most countries drive on the right, but some drive on the left. In addition there are other factors such as climate, economic conditions, race, topography, political stability, and occupations. The most important source of constraints by far, and the most difficult to measure, are cultural differences rooted in history, education, religion, values and attitudes, manners and customs, aesthetics as well as differences in taste, needs and wants, economics and legal systems. Supporters of this approach believe that multinational companies should have to find out how they must adjust an entire marketing strategy and, including how they sell, and distribute, in order to fit new market demands. Altering and adjusting the marketing mix determinants and marketing strategy are essential and vital to suit local tastes, meet special market needs and consumers non-identical requirements.

Both schools of thought are sensible, logical and coherent, highlighting the advantages and benefits that a multinational company could gain by acquiring such an approach. However, it is acknowledged and appreciated that the extreme use of either approach is too extreme to be practical. The truth lies in neither of these two polarised positions as both processes coexist.

It is argued that standardisation and adaptation are not an all-or nothing proposition but a matter of degree. Heterogeneity among different countries does not allow standardisation in an absolute power. On the other hand, the huge costs involved in the adaptation approach and the benefits of standardisation fail to allow adaptation to be used extensively, as theoretically suggested. The question is hand is straightforward. When companies' approach can fall anywhere on a spectrum, why the extreme views? (Quelch and Hoff, 1986; Jain 1989; Kashani, 1989; Yip, 1989; Szymanski *et al*., 1993; Jeannet and Hennessey, 2001; Keegan, 2002).

Prahalad and Yves Doz (1986) and Vrontis (2002) highlight the importance and necessity of both adaptation and standardisation and support the argumentation that both concepts should be used simultaneously. However, it is acknowledged that theory that seeks to integrate both concepts is limited, offering a further impetus to the existence of the problem and the necessity of developing new theory to capture an integrated/middle approach.

Scope of the Research

It is apparent that the debate on whether multinational companies should adapt or standardise international marketing behaviour is contradicting. For a multinational company to be successful it should incorporate ingredients of both approaches. Multinational companies in their effort to be effective and to enjoy as much as they can the benefits of both concepts, try on the one hand to standardise various marketing mix elements and marketing strategies but on the other hand to enforce adaptation in order to maintain marketing orientation. Success is not depending upon adaptation or standardisation, but it depends upon merging the two and finding the right level of standardisation and adaptation across the marketing mix elements and marketing strategies for each country.

This research hypothesises that in practice multinational companies are not mutually exclusively adopting international adaptation or global standardisation across their marketing mix elements, but seeking to identify the right level of integration that will allow them to achieve both customer satisfaction and organisational profitability. It investigates the complex relationship of adaptation and standardisation and suggests methods and ways in determining the right level of integration. This will increase the understanding and knowledge of the integrated approach and develop new theory to aid marketing practitioners compete effectively and efficiently within the highly competitive international market place.

Specifically, the research objectives are:

1. To examine the hypothesis on that "multinational companies are not mutually exclusively adopting international adaptation or global standardisation across their marketing mix elements".
2. To identify the reasons that force marketing practitioners to adapt international marketing tactics.
3. To identify the reasons that force marketing practitioners to standardise international marketing tactics.
4. To identify the factors that influence/affect the above reasons (objectives 2 and 3).
5. To develop a new approach to facilitating multinational companies to decide on the degree of standardisation and adaptation and locate this within the current literature in global and international marketing management.

This research sets out to help multinational companies and their marketing practitioners to identify and assess the degree of standardisation and adaptation across their worldwide markets. The findings of this research aim to help multinational companies to decide on the level/degree of adaptation and standardisation on their marketing tactics in different countries around the world. Identifying and implementing the right level would be highly beneficial for multinational companies, as it would help them achieve both customer satisfaction and organisational success.

Research Methodology

The research methodology draws on the concepts of the research wheel (Wallace, 1971) outlining the deductive and inductive approach.

The process of scientific discovery supposedly proceeds clockwise around the 'wheel of science'. The researcher begins with theory. Using deductive reasoning, the researcher derives a testable hypothesis from the theory. Next the researcher decides on the appropriate method for testing the hypothesis. Then data are collected to test the hypothesis. Based on the results of data analysis, it is decided whether there is empirical support for the hypothesis. The Research Wheel also represents inductive research. During inductive research, the researcher enters the wheel at the point of data collection and travels up the left side of the wheel. The researcher collects the data and then extrapolates from the data insights into human behaviour. That is, the researcher makes general statements or insights about social life deriving from specific behaviours observed. In addition to generating theory, the purpose of inductive research is often exploratory or descriptive.

In the context of this study, the research approach relies on both deductive and inductive reasoning methods. Using the deductive method, secondary data were collected by an extensive review of the theory and literature including journals, articles, newspapers, magazines, books, on-

and off-line databases. Primary research, described in more detail below, was collected by a questionnaire survey. Inductive reasoning is then necessary to analyse the data and reach the research results. The results aim to verify or reject the hypotheses and lead to the development of a new modelling approach and theorising in international marketing.

A summary of the methodological approach is illustrated in Figure 1 below. This was arrived as a result of developing Wallace (1971) model in combining inductive and deductive strategies.

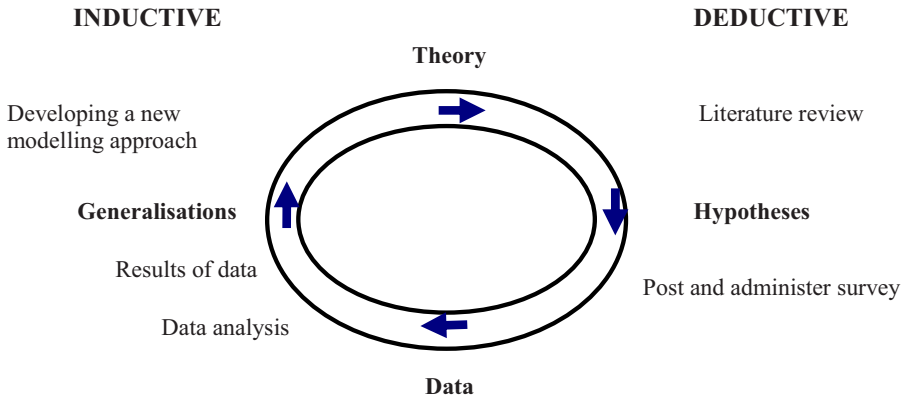


Fig. 1. Combining Inductive and Deductive Strategies – Research Methodology

To generate all the relevant information required for the research aims, a questionnaire survey was believed to be the most appropriate method. This provided an insight into the behaviour of different multinational companies, and allowed an in-depth comparison of their responses, taking into account their organisational characteristics, offerings and target markets.

It was decided to use a self-administered postal questionnaire. Self-administered questionnaires are completed by respondents. They have an advantage over interviewer-administered questionnaires as they allow respondents to give a considered rather than an immediate answer. Further, they allow the data to be analysed quantitatively, something that could not be achieved by the use of unstructured interviews and case studies.

As the field of this research study is international marketing, it was decided that the sampling unit should be comprised of UK multinational companies; that is companies that trade in more than one overseas market. Questionnaires were therefore posted to the biggest 500 UK multinational companies across five industrial sectors. The industrial sectors selected were manufacturing, services, transportation & communication, construction and retail & wholesale. Sampling procedure used falls at non-probability sampling and specifically within the category of purposive/judgement sample (Crouch and Housden, 1996).

The questionnaire encompassed both open and close-ended questions. The closed questions provided a number of alternative answers from which the respondent was instructed to choose, the open questions allowed respondents to give answers in their own way.

Dillman (1978) grouped the sorts of data that can be collected through questionnaires into four distinct types of variables. These variables are classified as attitudes, beliefs, behaviour and attributes. The questionnaire for this research study has focused on behaviour and attribute variables. Behaviour variables record how respondents behave in international markets and the reasons associated with such behaviour. It aimed to search on multinational companies' tactical level of adaptation and standardisation when crossing national borders. Attribute variables contain data about the respondents' characteristics and they are best thought of as something a respondent possesses, rather than something a respondent does. This allowed to research on the different factors (i.e. industrial sector etc.) related with the tactical behaviour and to identify what sub-factors (i.e.

manufacturing, services, etc.) are more likely adapted or standardised. Attribute variables in conjunction with behaviour variables were utilised to test the research hypothesis, give answers to research objectives and aid towards the development of a new modelling approach in international marketing.

In the design of the questionnaire, original research questions were formulated rather than adopted or adapted from other sources. The wording of each question was carefully considered to ensure that the responses were valid, that is, measuring what they should be measuring. Moreover, the types and length of questions used were also carefully considered, as this would have direct implication both on the response rate and on the kind of information gathered.

In constructing the questionnaire, the order and flow of the questions were carefully considered. These have been presented in a way to be logical and coherent to the respondent. The questionnaire was also pre-coded to allow the classification of responses into analysable and meaningful categories. In doing this, a numeric code was allocated to each category of a variable. This coding process was an essential step in preparing data for computer analysis.

Questionnaires were posted to marketing directors and they were kept anonymous. However, a confidential ID (identity) number allocated to different companies was added at the back of every questionnaire as a means of identification.

The administration of the actual questionnaire was very important. To encourage respondents to reply and maximise response rate, this research has undertaken three follow-ups.

The questionnaire survey and its analysis is mainly quantitative in nature, however, it also encompasses qualitative aspects. It is widely recognised that there is much to be gained from a fusion and combination of the two research traditions. Both of these methods were used in this survey.

Quantitative analysis and statistical tests were primarily performed by the aid of S.P.S.S. (Statistical Package for Social Sciences) and the complementary practice of Excel. In specific, statistical tests included ANOVA (analysis of variances) tests and chi-square (χ^2) tests that were performed in order to identify significant differences between factors in comparing them with reasons and elements of the marketing mix. On the other hand, in qualitative evidence the researcher used words to describe situations, individuals, or circumstances surrounding a phenomenon. Qualitative analysis deriving from open-ended questions established the reasons why multinational companies behave the way they do.

Using quantitative and qualitative methods of analysis was particularly useful and essential for this study. This is because quantitative methods deal with identifying what, why and where something is happening, while qualitative methods provide further information and understanding on the why and how. This proved to be particularly important in meeting the research objectives and fundamental to the development of the proposed modelling approach.

It is suggested by Saunders *et al*. (1997) that a response rate of approximately 30% is considered reasonable for self-administered postal questionnaires. This is backed up by Nachmias and Nachmias (1996) who state that a reasonable response rate for postal questionnaires is between 20-40%. The response rate for this study was 24.8% and it is discussed in section 5.1. Of these 500 companies, the number of usable respondents was 124. This indicates a response rate of 24.8%, which was sufficient for statistical analysis to continue.

Research Results

Research results illustrated that UK multinational companies use both adaptation and standardisation across their marketing mix elements. Table 1, deals with the elements and sub-elements of the marketing mix and illustrates their level of importance in relation to standardisation and adaptation. The first column presents the elements under research, the second presents the mean rating, and the remaining three columns illustrate multinational companies' practical level of standardisation and adaptation.

Table 1

Tactical Behaviour (Percentage and Mean)

Question: Is your organisation standardising (using the same) or adapting (using different) the following elements of the marketing mix in different countries around the world?				
Element researched	Average Rating/Mean (μ) Min=1 Max=7	% Standardisation	% Neutral	% Adaptation
Product/service				
Quality	2.37	78.3	4	17.7
Brand name	2.42	71.8	8.9	19.4
Image	2.54	71	8.1	20.9
Performance	2.65	67	11.3	21.8
Size and colour varieties	2.89	54.1	11.3	21
Packaging, styling	3.25	51.6	9.7	29.9
Pre-sales service	3.78	45.2	12.1	41.2
After-sales service, warranties	3.80	42.8	16.1	38.7
Product or service variety, design, features	3.81	48.4	4	47.6
Delivery, installation	3.81	41.9	12.9	41.9
Average mean	*3.13*			
Price				
Discount allowances, payment period, credit terms	5.02	16.9	25.8	55.6
Price levels, list price, price changes	5.48	12.8	12.9	74.2
Average mean	*5.25*			
Promotion				
Advertising	4.52	28.2	16.9	52.5
Direct Marketing	4.53	21	22.6	46
Personal selling	4.57	25.8	18.5	52.4
Public relations	4.60	26.7	17.7	53.3
Sales promotions	4.96	17	19.4	55.7
People	3.90	41.2	19.4	39.5
Physical evidence	3.88	37.9	23.4	35.5
Process management	3.85	46.7	11.3	41.9

In dealing with the different elements of the marketing mix, product is the most standardised element with a mean (μ) of 3.1. This trend is even stronger if we consider product quality (μ=2.37, companies standardising=78.3%), brand name (μ=2.42, companies standardising= 71.8%), image (μ=2.54, companies standardising=71%), performance (μ=2.65, companies standardising=67%), and size and colour varieties (μ=2.89, companies standardising=54.1%).

The price element of the marketing mix is the most likely to be adapted in foreign overseas markets. In general terms it has a mean of 5.25, which makes it the most adapted element. As exemplified, mainly price levels, list price and price changes (μ=5.48, companies adaptating= 74.2%), and to a lesser extent discount allowances, payment period and credit terms (μ=5.02, companies adapting=55.6%) are tailored accordingly to fit market needs and requirements.

In terms of promotion, multinational companies' behaviour lean towards adaptation. Multinational companies have reported a mean of 4.64, which makes it the second most adapted element of the marketing mix. This adaptation trend is greater in sales promotions, public relations, and personal selling, and less evident in direct marketing and advertising.

A trend towards adaptation is also seen with place or distribution (μ=4.39). 50% of the companies replied mainly use an adapting approach while 32.2% a standardised one.

The mean for the remaining elements of the marketing mix (people, physical evidence and process management) is in the middle of the continuum (neutral). As illustrated in Table 1, their respective means are 3.90, 3.88, and 3.85.

The above results illustrate that there is a variable approach across international marketing behaviour (marketing mix elements) and that adaptation and standardisation are not mutually exclusive. This contradicts the two extreme schools of thought, illustrated in the literature, and apparently verifies the hypothesis (objective 1) of this research.

In dealing with the second objective, it was necessary to identify the reasons that force marketing practitioners to adapt international marketing tactics.

It is evident that UK multinational companies tailor their marketing tactics in overseas markets for a number of reasons. Marketing practitioners who undertake this approach stated some of these reasons as follows.

The marketing director of company number 88 said that "global customers are different. They are also becoming more sophisticated and demanding in certain markets. We therefore have to adapt quickly to these differences and changing circumstances". It is found that adaptation in marketing tactics is crucial for multinational companies desiring organisational success. As companies operate in different societies and target different people, altering their marketing mix elements is essential, even for promoting a global marketing strategy.

It is argued that adaptation should take place in order to meet differences associated with people and with the micro and macro environment. "People are completely different" (company number 188). "We found it extremely difficult to get other countries to standardise, even on uniform style control of branding" (company number 63). "Different markets make different demands" (company number 307). Therefore, "adaptation is paramount to get maximum cost benefit from customer contact and comply with different cultures, level of competition, environmental variances, laws, market share and scale of operations" (company number 92). Respondents that mainly standardise marketing tactics believe that tailoring tactical behaviour is the only recipe for meeting international consumers' unique needs and requirements.

"The divergent needs and levels of development of the market in which we operate" (company number 51), "differences between countries, and no acceptance for cosmopolitan approach" (company number 83) have forced "corporate image and identity adapted to local market requirements" (company number 486). "Our desire to be competitive, grow market share and provide customer service led us towards adaptation to local market demands and differing development needs" (company number 70).

It is evident that companies' desire to comply with the above differences drives them to implement a unique tactical approach for a unique local market at a unique point in time. "Through trial and error in the early days we learnt that recognition of the country's culture, laws and differences in perception are critical" (company number 215). "We have found adapting to local markets is the only way to success" (company number 216).

It is therefore evident that a number of reasons force marketing practitioners to adapt international marketing tactics. Quantitative analysis investigates those reasons and presents them in order of importance, as reported by respondents. This is illustrated in Table 2. The percentage in the right column of the table represents the level of importance associated with each reason.

It was identified that the most important reasons driving UK multinational companies towards international tactical adaptation are culture, market development, competition, laws, economic differences and differences in customer perceptions. The remaining four reasons researched were of less importance.

92% of respondents stated that culture is an important reason for them. As they argued, culture should be highly considered when crossing national borders. Market development (87%), competition (84%), economic differences (78%) and sociological considerations (74%) were also rated a high percentage of importance by companies. All these reasons are crucial and multinational companies are considering them when competing in foreign markets. Laws (82%) and differences in customer perceptions (71%) are also very important. Finally, technological considerations (60%) political environment (53%), level of customer similarity (49%), marketing infrastruc-

ture (44%) and differences in physical conditions (39%) were rated a smaller percentage of importance. However, these should not be ignored in any tactical decision making process.

Table 2

Reasons Adapting and their Level of Importance

	Reasons in order of importance	Percentage
1	Culture	93
2	Market development	87
3	Competition	84
4	Laws	82
5	Economic differences	78
6	Sociological considerations	74
7	Differences in customer perceptions	71
8	Technological considerations	60
9	Political environment	53
10	Level of customer similarity	49
11	Marketing infrastructure	44
12	Differences in physical conditions	39

In relation to objective 3, a number of reasons force marketing practitioners to standardise marketing tactics.

"On our international flagship brands we currently have various variations which we are now planning to standardise. We recognise the benefits of globalisation and have recently implemented action to move to this from our current 'adaptation' approach in certain instances" (company number 15).

"We can see the merits of having a brand which is recognised all over the world" (company number 375). "It is important that customer receives a consistent service through out all markets" (company number 487). It is the "best way of delivering consistently high levels of customer satisfaction" (company number 91).

It is apparent that multinational companies are aware of the benefits associated with global standardisation. Consequently, when crossing borders, UK multinational companies standardise a number of marketing tactics. The underlying reasons for behaving as such are illustrated in Table 3. Table 3 outlines the factors researched and it presents them in order of importance, as reported by respondents.

Table 3

Reasons Standardising and their Level of Importance

	Reasons in order of importance	Percentage
1	Global uniformity and image	81
2	Economies of scale in production, R&D and promotion	75
3	Synergetic and transferable experience and efficiency	74
4	Consistency with the mobile consumer	52
5	Easier planning and control	48
6	Stock costs reduction	43

As illustrated in Table 3, research analysis pointed out that the most important reasons for standardising are global uniformity and image, economies of scale and synergetic and transferable experience. Consistency with consumers, easier planning and control and stock cost reduction are of less importance.

Global uniformity and image are the most important reasons pulling multinational companies towards global standardisation. 81% of companies researched are considering it when

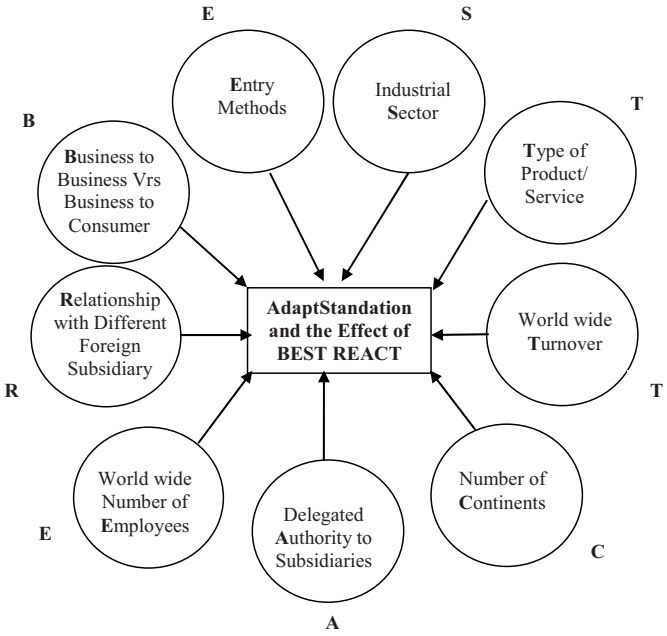
crossing national borders. Companies' desire to promote a uniform image around the globe has driven them to consider standardisation of international marketing practices.

"Economies of scale is the key to success. End products cost less per unit, therefore we gain bigger margins and remain competitive and profitable" (company number 343). 75% of the companies questioned stated that economies of scale are an important factor pulling them towards standardisation. Minimising costs in production, research, development and promotion is crucial for a company's future.

Synergetic and transferable experience is the third most important reason for global standardisation with 74% of companies considering it. "We know how to do things right in England. Why should we do them otherwise abroad?"

Finally, consistency with the mobile consumer (52%), easier planning and control (48%) and stock costs reduction (43%) have acquired a smaller percentage of importance.

In relation to the fourth objective, it was necessary to examine the factors that affect the level of integration and the degree of adaptation and standardisation. Therefore, this study identified, the BEST REACT Model, introduced in Figure 2. The nine factors outlined on this model were found to have a profound influence on international tactical behaviour and are described as critical in identifying the level of tactical integration in relation to international adaptation and standardisation. This BEST REACT Model is further discussed below as it is incorporated in the bottom part of Figure 5.



Source: Vrontis (2003)

Fig. 2. The B.E.S.T. R.E.A.C.T. Model of AdaptStand Integration

This section has presented the outcomes of this research for objectives 1-4. The following section is concerned with the development of the modelling approach (AdaptStand Process), as set in objective 5.

The Adaptstand Process

Even though international adaptation and global standardisation of marketing tactics do take place, and can bring benefits, it was identified that the decision on tactical behaviour is not a

dichotomous one between complete standardisation and customisation. The choice concerning these two polarised positions is a matter of degree.

Figure 3 summarises the findings of this research in a visual and comprehensive way. It illustrates why UK based multinational companies adapt and standardise their marketing mix elements in international markets. It consists of two parts. The inner part of the framework summarises the underlying reasons that enforce international adaptation or global standardisation over the marketing mix elements. The outer part of the framework identifies five primal determinants that necessitate the use of an integrated approach. This integrated approach is mostly desired as it guides multinational companies to decide on the integrated level of adaptation and standardisation.

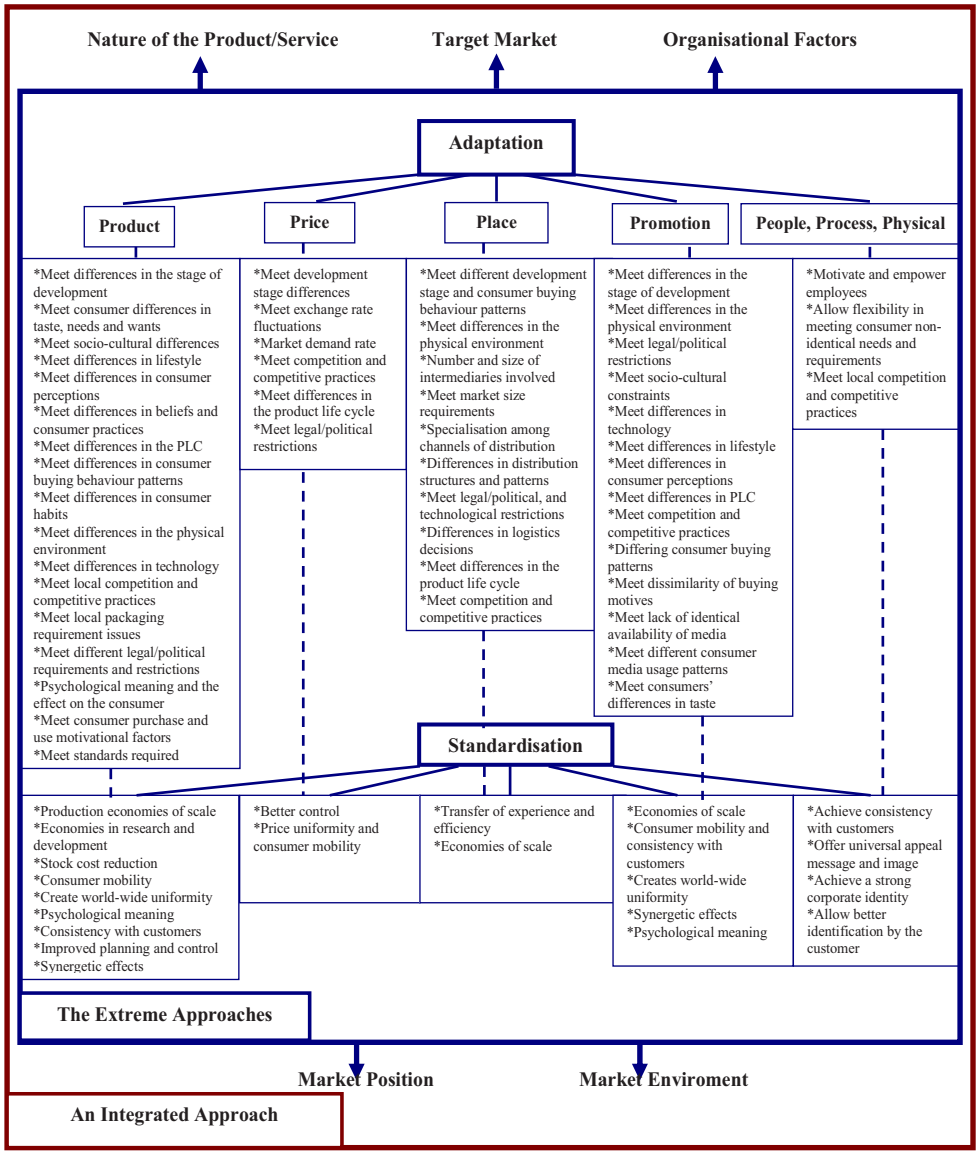


Fig. 3. Framework of International Marketing Mix Possibilities (Adaptations Vrs Standardisation)

The framework (Figure 3) represents the different schools of thought identified in international marketing. It exemplifies the reasons for advocating any of these when practising international marketing tactics in the marketing planning process. Figure 4 expands the outer part of the framework and outlines those determinants that necessitate the integration of international adapta-

tion and global standardisation across marketing tactics. Those determinants are described into market position, market environment, nature of product, target market and organisational factors.

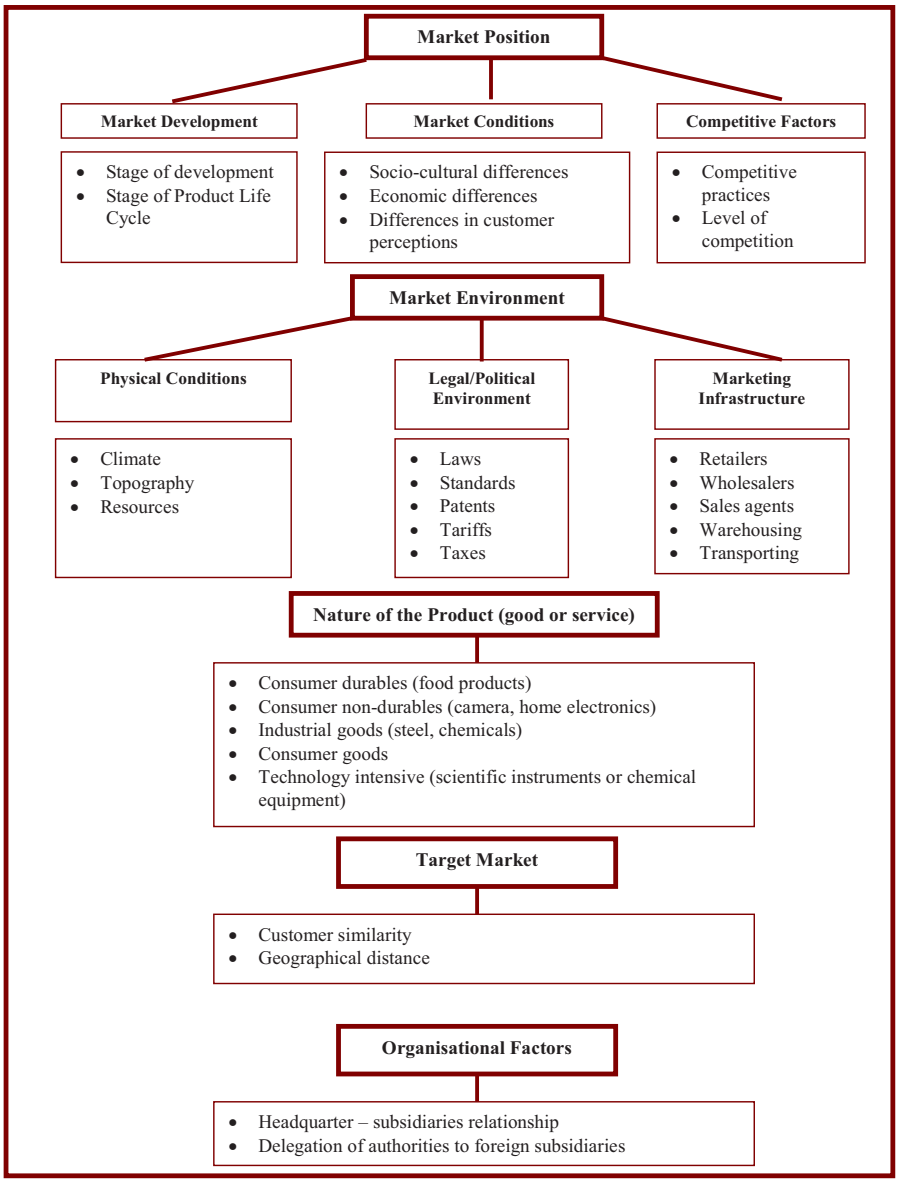
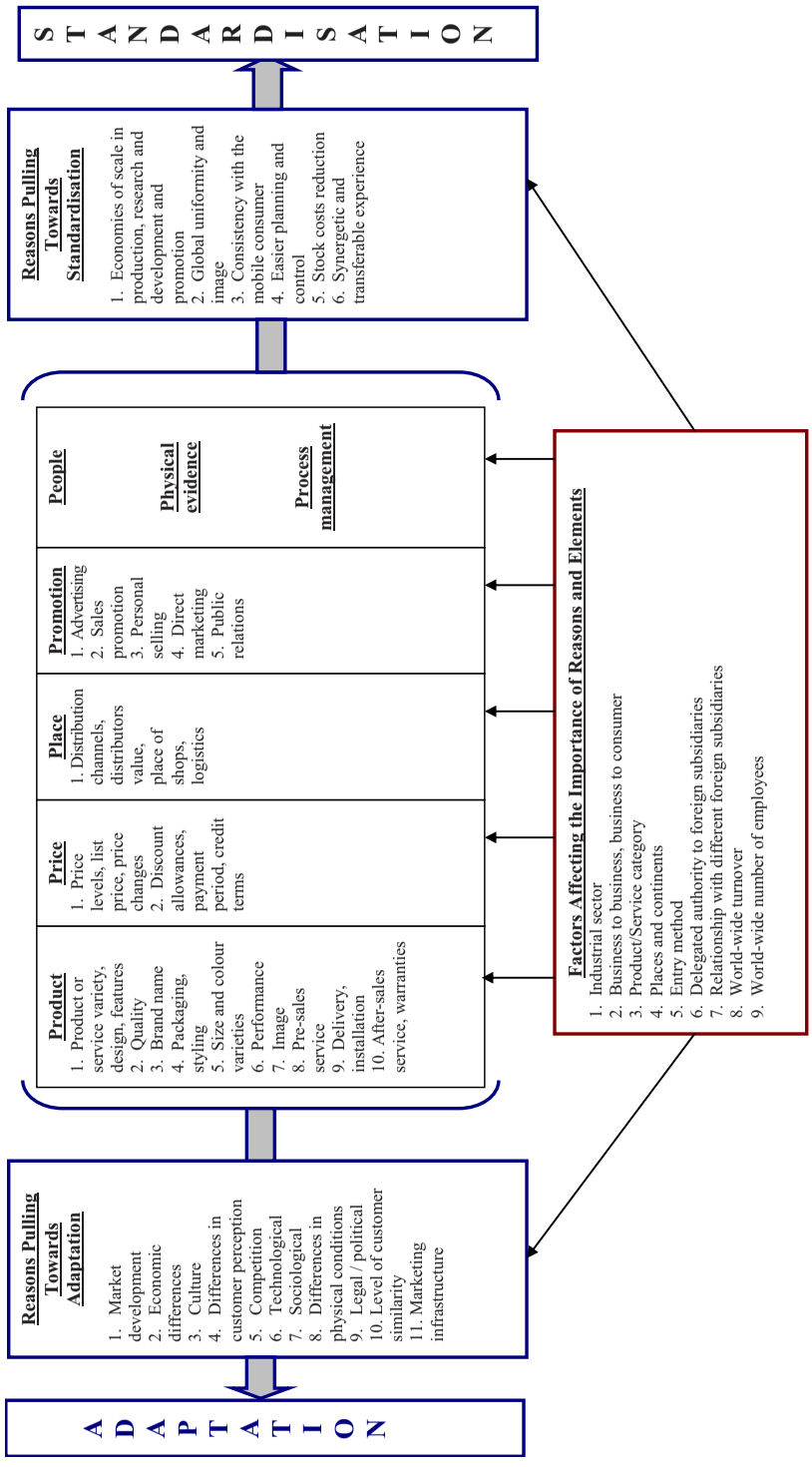


Fig. 4. Framework of International Marketing Mix Possibilities – the outer part

Specifically, a number of reasons, examined in this research, 'pull' tactical behaviour (marketing mix elements – 7P's) towards adaptation and standardisation. Research results identified that these hold a different level of importance for UK multinational companies based on a number of factors related to the organisational and operational characteristics of every individual company. Reasons are seen as those behavioural aspects pulling multinational companies tactical behaviour towards the one or the other side of the continuum, while factors are those determinants affecting the behaviour and the importance of the reasons pulling it.

The relationship between elements, reasons and factors is illustrated in Figure 5.



Source: Vrontis, 2003

Fig. 5. The AdaptStand Process

The decision on the degree of adaptation and standardisation in international marketing tactics, after considering reasons pulling and factors affecting marketing mix elements, is what this research will now refer to as AdaptStandation. The process of deciding on AdaptStandation is called the AdaptStand Process. This is the name given to the new modelling approach to international marketing. The AdaptStand Process is defined as the process of integrating Adaptation and Standardisation in international marketing tactics. It is a mechanism that seeks to aid marketers to decide on the level of integration and eliminate any problems created by using solely the one or the other approach.

The identification and implementation of the right degree of integration are essential as it increases the chance for multinational companies to remain competitive and marketing orientated within their industrial structure and international marketing arena. A detailed in-depth consideration of the AdaptStand Process could increase organisational cost effectiveness without undermining consumer requirements and other micro and macro-environmental constraints evident in the situation analysis.

Conclusions

The recurrent theme in international marketing in whether companies should aim for a standardised or country-tailored marketing approach is very much debated in the academic literature and is a concern for every multinational company and marketing practitioner. On one hand it has been argued that the global market has become homogenised that multinational companies can market their products and services the same all over the world by using identical strategies with resultant lower costs and higher margins. On the other hand, some observers emphasise the obvious dissimilarities between the markets of various countries, especially those for consumer goods and argue in favour of using international differentiated marketing programmes.

This research identified that when facing the dilemma of implementing marketing tactics, the researched UK multinational companies integrate the processes of adaptation and standardisation. Marketing directors and managers are not making a one-time choice. UK multinational companies operating in several countries find it extremely useful to integrate marketing tactics. Multinational companies simultaneously focus their attention on aspects of the business that require global standardisation and aspects that demand local responsiveness. When appropriate processes are standardised, however, operation in local market necessitates the maintenance of the appropriate local flexibility. UK multinational companies are striking to find a balance. This is not a straightforward task, and as identified, the balance between standardisation and adaptation is very difficult to achieve and indeed is very challenging.

This research identified that product is the most standardised element of the marketing mix. Dealing with the remaining elements of the marketing mix, price and promotion are the most adapted ones. Finally, companies' tactical behaviour regarding place, people, physical evidence and process management is concentrated in the middle of the continuum.

It is identified that the huge costs involved in the use of an international adaptation approach, along with the multinational companies' desire to reap the benefits of standardisation do not allow international adaptation to be used in an absolute manner. Similarly, organisational differences, heterogeneity among different countries' macro and microenvironment as well as companies' desire to satisfy consumer's diverse needs do not allow standardisation to be practised extensively, as suggested in the literature.

Specifically, this research has identified that a number of reasons including primarily culture, market development, competition, laws, economic differences, sociological considerations and differences in customer perceptions have highlighted the need for companies to adapt their marketing tactics, while global uniformity and image, economies of scale, and synergetic and transferable experience sway them towards standardisation. Other reasons pulling tactical behaviour towards adaptation or standardisation were also examined. As identified these reasons are of less importance, however they cannot be ignored.

This study has also identified a number of factors that influence the level of integration with regards to adaptation and standardisation. It has developed a model (the BEST REACT

Model) that was found to have a profound influence on international tactical behaviour and is described as critical in identifying the level of tactical integration in relation to international adaptation and standardisation.

Finally, this research developed the AdaptStand Process that serves as a mechanism to aid marketers to decide on the level of integration. Multinational companies should not treat the world as one single market. They should undertake market research and determine their customers, their needs and wants. They should get to know their customers and understand their problems. Equally, they need to identify their unique external environmental constraints and benefits of standardisation. Each element and sub-element of the marketing mix and market has to be studied on its own merits and shortcomings. Applying generally preconceived ideas for or against standardisation and adaptation is not very helpful, as in practice the level of integration necessary has to be applied in ways that take account of given circumstances.

Managerial Implications

It is anticipated that the findings of this research carry implications not only for the literature but also for international marketing practitioners. As this research was based upon the practical experience and behaviour of UK multinational companies, marketing practitioners can use its results as a means of comparing their current behaviour with that of other similar companies. This observation will enable them to take corrective action and lead to the further development of the approach that they currently use.

It is advised that marketing practitioners undertake first an internal and external environmental analysis to identify a company's organisational position and industrial obstacles in a single market. The benefits deriving from globalisation should also be considered. The outcome of this research provides marketing directors and managers with an overview of what influences marketing behaviour in international markets. On the basis of the research, marketing practitioners will be better able to identify the importance of the reasons, factors and elements of the marketing mix and any difference between them relevant to their situation. An understanding and consideration of the above could benefit and aid UK multinational companies in formulating international marketing planning and implementing marketing strategy and tactics.

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