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RESEARCH NOTE

Culture-sensitive adaptation or global standardization – the duration-of-usage hypothesis

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Abstract *Seeks to identify the dimensions which are relevant in the shaping of strategies for international marketing; it thereby addresses business managers. Considers the extent to which the marketing mix can be standardized in various different configurations of international marketing. Presents seven postulations about international (and global) marketing and about the standardizability of the marketing mix; as regards the latter, it points to the vast differences in international standardizability between the various product (or service) categories. Offers a hypothesis about the reason for the huge differences in the internationalizability of products, labelled the "duration of usage" symptom. Ends by pointing out that occasionally there is scope for a "cross-cultural leap" for products with unpromising antecedents within the hypothesis of the duration of usage symptom.*

Part 1 – international and global marketing

Title

Like every other term used in marketing, "international" and "global" do not have a sharp dividing line between them ("multinational" merely refers to a corporate entity which owns operations in a number of countries. The term gives no indication of the marketing strategy (ies) followed in those countries; they can be – and often are – totally diverse and unconnected). International marketing simply refers to a company operating in more than one country whose marketing strategy in each can be assumed to have been chosen deliberately – from being very diverse to being rigidly standardized between countries. Global marketing is a particular form of international marketing which – in its purest form – does not exist. Its essence is that it covers a broad spread of the world's countries and that it strives consciously to standardize its marketing strategy between those countries. The majority of international marketing approaches today are still based predominantly on culture-sensitive adaptation as each new foreign market is entered. "It is time to realize that the majority of the brands operating across Europe are neither global nor local, but 'glocal'" (Kapferer, 1992b).

Standardization and global business

The differences in language; distribution facilities; retail structure; topography; climate; regulations governing marketing, cultural features (colour, taboos, history, political make-up, religion, education) between countries are so great that pure, comprehensive standardization of marketing mixes is not feasible. Yet, the main characteristic of global marketing is the attempt to standardize all elements of the marketing mix as much as possible. That measure of standardization can stretch to the curtailment of a product range or the demotivation of area managers. A Europe-wide survey among the largest brand owners shows 81 per cent of them favouring standardization and globalization of their brands (i.e. not necessarily the product or other elements of the marketing mix) (Kapferer, 1992b). Another author observes a similar aim towards globalization and standardization. He is talking about the whole marketing mix when he says:

> The global competitor will seek constantly to standardize his offering everywhere. He will digress from this standardization only after exhausting all possibilities to retain it and he will push for reinstatement of standardization whenever digression and divergence have occurred (Levitt, 1983).

A study on emerging positioning strategies in global marketing (which, as the following text suggests, are not alternative, but sequential) says:

> The first step is to establish the product as a world brand by establishing name, feature and image standardization worldwide. The second is to identify global segments that seek the same product benefits and/or share similar psychological characteristics. The third strategy is to position the world brand toward either the high-tech/high-touch spectrum (Domzal and Unger, 1998).

This sounds great . . . on paper, but it rather overlooks the gargantuan and costly tasks which each of those three steps would entail. Even the world's largest retailer – Wal-Mart – treads carefully towards its global presence (Govindarajan and Gupta, 1998).

There is little doubt about a strong desire on the part of business to maximize the benefits from standardization through globalization. The obvious advantages are capturing economies of scale; reduced unit cost of products/services; reduced working capital requirements (inventories; administration; logistics); reduced marketing expense (advertising; promotion; easier product quality maintenance and improvement; savings in research). A useful description of what drives globalization of businesses is the following:

> Globalization occurs because specific managers in specific companies make decisions that result in increased cross-border flows of capital, goods and/or know-how . . . Four trends lie at the core of these developments:
>
> (1) An ever-increasing number of countries are embracing the free-market ideology.
>
> (2) The economic centre of gravity is shifting from the developed to the developing countries.
>
> (3) Technological advances are constantly improving communications.
>
> (4) The opening of borders to trade, investment and technology transfers not only creates new market opportunities for companies but also enables competitors from abroad to enter their home markets (Govindarajan and Gupta, 1998).

A further view on the globalization of international marketing results in an attempt to "define" categories and degrees of globalization:

> Many companies now only want business units that have a leading strategic position in world markets. Under a global mandate, a corporation assigns the entire world market to a single unit and no longer subdivides market responsibility by country or region. Companies such as ICI, Philips, Siemens, ABB, Novartis and GE have done this (Jeannet, 1998).

These observations suggest not only that globalization is here to stay, but that the collective share of global businesses in the value of world trade will continue to grow. There is no problem with this speculation. It is the great divergence in their suitability for a global approach between product (and service) categories which needs care and is getting attention in this paper. Even if this author's own views are clearly biased by experience in fmcg, notably food and drink, at present, and for the foreseeable future, the number of products or services for which a global marketing strategy (with unavoidable adaptations) can realistically be contemplated is very limited. International standardization, even imperfect standardization, of the marketing mix for most products and services is out of the question. It needs emphasizing again that the feasibility of such standardization and the degree of it depends first and foremost upon the type of product or service we are asked to consider.

Global marketing is not just for the big and mighty

When we consider global strategies, there is a tendency to assume that a global approach is confined to very large companies and brands like IBM, Coca-Cola or Ford, but this is not the case. Iona Technology is a software company with sales of a few hundred million pounds which has specialized in an area of expertise where it now holds 60 per cent of the world market. Iona must be one of the purest global companies that exist. Another company which is not one of the world's giants (1994 sales approximately £1 billion (sterling) – 72 per cent of it outside Italy) is the Italian Ferrero which deliberately adopted a global marketing strategy for products like Mon Cheri, Ferrero Rocher, Kinder, Tic Tac, and Nutella. Significantly, the marketing soul of the business is housed in Ferrero International SA, which was established, not in Italy, but in Luxembourg. What makes the Ferrero global approach particularly interesting is that confectionery is not a product category which it is easy to take across frontiers without substantial adaptation.

Part II – postulations

Postulations

It seems useful to establish a frame of reference for the discussion about global and other forms of international marketing. To this purpose seven postulations have been drawn up, italicized, below. Each is followed by comments (not italicized).

(1) It is no easier to build a given volume of profitable business in a foreign market than it is to do so in the domestic market. In fact, it tends to be a little more difficult and expensive. The underlying assumption is that one wishes to build a lasting, growing, profitable commercial presence in that foreign market just as one is doing in the home market. That assumption means that one must have ultimate control of operations and that one can directly formulate and

enforce strategy in that country. In operational terms, it means that one must have solved the problem of having people familiar with the language and culture of the host country at the sharp end of the business (suggesting that they are nationals of the host country) who have been suitably soaked in the culture, aims, policy, strategies, resources, knowledge bases and interrelationships of the main company. It also means that those people will be managed by managers in the main company who have learned to think in geographically flexible and unbiased dimensions. These vital requirements are not affected by whether one chooses an adaptive or global strategy, nor are they easy to acquire.

(2) Irrespective of whether a global or any other approach to international marketing is contemplated, it is prudent to assume that everything in the foreign market has to be done differently from the way it is done in the home market, unless hard proof to the contrary has been obtained. The simple justification for this postulation is that, almost without exception, everything *does* have to be done differently abroad. Leaving aside obvious things like language; skin colour; stage in the evolution of the retail trade or climate, there are subtle things, ignorance of which can spell failure. Practical examples illustrate how knowledge of the subtler aspects of the host country's culture is vital. The failure of a French pharmaceutical company to sell its cure for disorders of the liver in Germany (Giordan, 1994) is the first. Some countries have "national" afflictions. The UK has three: indigestion, the cold and the 'flu. People in The Netherlands dread draughts – which they believe can kill. France has mal au foie, liver pains, possibly caused by too much wine. Germans never think about their livers, so the French company's product was irrelevant to them. Belgium is a small country with two languages, French and Flemish. Many companies exporting to Belgium believe they can choose between the two languages and often choose French which is handy because you can then sell to 58 million French, and a further three million Swiss, Italians and Luxemburgers. But the French and the Flemish speaking Belgians loathe each other and they tend not to buy products labelled in each other's language. Many suppliers put both languages on their printed matter and packaging, a few get away with a neutral language: English. Italians and a few other Europeans are used to lapses in punctuality, but "Lateness, missed appointments, postponements, late delivery are not merely inconvenient. To a Dutchman they mean untrustworthiness and will quickly sour a [business] relationship" (Mole, 1990). Legislation apart, one needs to ask whether one should stress or play down one's country of origin (the question Food from Britain didn't ask). An index was constructed (Moseley, 1997) to show the extent of Anglophilia (based on UK share of imports of each country; the value of UK exports as a proportion of GDP; visitors to the UK as a proportion of the population and the importance of the English language) in North America, Spain, The Netherlands, Italy, Germany, France, Denmark, Belgium and Austria. The Netherlands is shown to be well ahead of all the others, with Belgium second and Germany third. Austria was bottom and well below the second lowest, Italy. It is clear that such a finding provides food for thought for UK companies intending to treat

Germany and Austria as one homogeneous market. The Danish toy maker Lego A/S, without any form of testing, decided to use the same sales promotional format in Japan as had been used sucessfully in the US and several other foreign markets. It failed in Japan. "Lego's marketers thus got their first lesson on the limitations of the global transferability of sales promotions" (Kashani, 1989). As well as the carefully conducted international expansion of the Wal-Mart company, there is a similarly neat case of Marriott (Hotel) Corporation (where the company's seven product streams were evaluated for "degree of local adoption required" against "expected payoffs from globalization" in order to arrive at a ranking of priorities for globalization.) as further evidence for the need for caution, thoroughness and cultural awareness in international marketing (Govindarajan and Gupta, 1998).

(3) It is only the conscientiously constructed whole marketing mix of which the internationalization or the globalization ought to be considered. Considering only a single element from that mix is a sterile exercise. In part, this bold postulation needs to be disconfirmed: however diverse a place the globe is, it does seem reasonable to proclaim that the globalizability of selling; distribution; advertising (whether media mix or message); promotion or public relations cannot be tested each unto its own, unless we know something – even if only in broad terms – about the product(s) or service(s) that are to be sold, distributed, advertised, promoted or made subject to a dialogue with a public. So, on those grounds this author does not withdraw this bold hypothesis. But what about a brand? Could one envisage a marketing mix in which each element was carefully adapted to the culture, language, sensitivities and legal requirements of each geographical area, but the brand under which the products or services were sold was global? It seems reasonable to believe that such a configuration can be envisaged and an example will be provided presently. But first, let us look at the utterances of a thoughtful writer: Kapferer (1992a). He talks about factors which enhance the feasibility of globalizing a brand "... where the brand impresses its own system of values, or where the brand seeks its own source of inspiration in the collective subconscious of world consumers". The author then briefly discusses Coca-Cola; Benetton; Kellogg; Mars Bars and Danone. (These are global brands with geographically adapted marketing mixes. Kapferer emphasizes the decades-long efforts that were exerted in each case to achieve their adaptable global status.)

This author grew up in a medium-sized company which sold its products in 91 countries and had subsidiaries in ten of them (in no country did it realize more than 20 per cent of corporate sales). There were considerable differences in every element of the company's marketing mix as between the various countries, including products which varied in usage, formulation, shape and packaging. But everything everywhere was sold under a single global (and corporate) brand.

Perhaps this is the place to cite a viewpoint from a recent publication (van Mesdag, 1997). In this article, it is strongly argued that the time has come to reverse the relationship between a brand and a product (or service): "A brand should no longer be regarded as a function of a product, rather products should be regarded as functions of a brand." If a firm chooses to operate internationally, it may (often will) need to adapt features or the very nature of its products to the needs of different markets. But as long as those different products are not flagrantly incompatible with each other, there is nothing to necessitate the use of different brands for different markets (as long as brand identities have been devised for international use).

(4) The product/service to be developed for sale in a foreign market must be identified before the design of the other marketing mix elements can be considered. This postulation is connected to the previous one. Since one cannot assess the viability of an advertising platform, a promotional approach, pricing, a distribution channel choice or a sales approach in isolation, one needs to have a fairly clear idea as to what it is to which these marketing mix elements will apply. If it is impossible to define the product or service with which these elements are to be mixed, any attempt at assessing their globalizability is either an impossible or a sterile exercise. Given the incomparability between different product categories, any conclusions cannot be generalized beyond the product category to which they apply.

There are 34 major studies during the last 25 years that have addressed the adaptive versus global approach to the ingredients of the marketing mix (Melewar and Saunders, 1999); in these studies both approaches are defended. But curiously, most of these studies have looked only at a single element in the marketing mix (14 of the studies focused on advertising). Because of the enormous differences in globalizability between product or service categories, studies that ignore the nature of the product/service, this author believes, are of little use. Reverting to the partial disconfirmation of postulation 3, above, a study into the globalizability of brands, across the range of products marketed by Europe's largest brand owners was conducted (Kapferer, 1992b) (see Table I). It is interesting to see the comparative extent to which marketing mix elements had been globalized.

(5) Defined in an absolute sense, there is no such thing as a global marketing mix. A "global marketing mix" can only be realistic if there is room for adaptability. "One hundred percent globalization is a myth" (Kapferer, 1992b). "Glocal" (see above) is as far as a business can go. Fortunately, few people worry about the "purity" of their global marketing; about the desirability of it there is strong agreement: 81 per cent of the largest brand owners in Europe strive for global branding (Kapferer, 1992b).

(6) While there is significant convergence of consumption patterns between different countries, the rate of such convergence varies enormously between product categories. Generalization is therefore misleading; the only generalization one may make is that convergence rates, on average, are increasing. The strong wish of most brand owners to globalize their marketing mixes (see comments under 5, above) is in itself a stimulus for further convergence (push). But there are powerful elements in people's social environment which exert a strong impetus in the same direction (pull): people's increasing wealth; their increasing mobility and, above all, the rapid increase and diversity of quick and cheap means of communication between people.

Table I. Most global facets of pan-European brands

	Base full sample (210) (%)
Logotype and trademark	95
Brand personage	90.5
Brand name	88.5
After-sales service	83.5
Target market	77
Sponsorship of the arts	73
Product features	72.5
Brand positioning	72.5
Brand signature (baseline)	69
Distribution channels	67
Creative idea	66
Packaging	64
Sports sponsorship	61.5
Below/above the line ratio	50.5
Advertising execution	43
Media mix	43
Direct marketing	40
Pricing versus competition	33
Promotion	20

Source: Kapferer (1992b)

Internationalized peer group behaviour is probably another factor (examples: American influence on dress modes of European young people; the spread of drinking bottom-fermenting beers from the continent to the UK and the use of North American English expressions in many European countries).

(7) International and even global marketing does not need to be confined to large companies. Iona Technology is mentioned again because of a quotation from its chairman, Chris Horn, which explains how a small company is able to become a near-perfect example of "global marketing":

> Iona controls 60 per cent of the global market for its software product, a "glue" that can hold the various softwares, typically present in large [user] companies, together. In many large businesses there is a jigsaw of different kinds of software pieces, some old, written in the 1960s and 1970s and some new stuff. Basically, we help companies to get these disparate pieces of software to interact efficiently (Horn, 1998).

(If a digression be allowed, Chris Horn lives and breathes high tech software. In the above citation he is addressing fellow alumni of Trinity College, Dublin; he uses ordinary, crystal clear language to describe lucidly what his very high-tech business does.)

The significance of the Iona Technology example is that there already are and will be very many more small companies (as well as a few very big ones) in the knowledge "industry" which, from their inception, will serve a global market (whether or not their people will have to leave their desks to do so!).

And here is a further example of a much smaller company (a few years ago its sales were still below £10m) which had to become international to provide its early growth. At the back of a London chemist's shop, Smith Kendon had started to make medicated boiled sweets which it was soon able to sell to other chemists as well as through its own shop. Haydn Williams, a salesman from the school of Procter & Gamble, was hired to mastermind and manage the company's expansion. Small and impecunious, the company was unable to get into the main confectionery and food outlets, but Williams was aware that its simple-to-make boiled sweets could be made in any flavour, shape or colour. Whether through ingenuity or accident Williams hit upon the idea of selling his product to the forecourt shops that were beginning to appear in petrol stations along motorways. His product was packaged in handy little round tins and priced with optimism. Motorists bought the sweets; Smith Kendon was in business. Since there were at that time hardly any motorways and no forecourt shops in the UK, Williams went to Germany and thence to every other country in Western Europe which had motorways.

Part III – a hypothesis (and its disconfirmation)

The duration-of-usage hypothesis

Throughout this paper it has been stressed that some products internationalize more easily than others. Examples have been mentioned of products that have become international and even global, in a few instances quite quickly. The final part of this paper now seeks to focus on product categories that do not internationalize quickly. The main one is food. There are two reasons for the choice of food: globally, it is the oldest and largest product category around and it is the least easily internationalized. An attempt will be made to advance – by way of hypothesis – the two reasons why this should be the case. Then, having done that, the author will need to disconfirm that hypothesis, leaving the reader in the same unenviable quandary in which he has spent the last several decades.

There are actually two features, rather than a single one, which hamper the internationalization of food products. Let us get the more easily recognizable out of the way first: it is the recognizability of what is in the food. Since countries eat differently, what is recognizable in one country is not the same as what is recognizable in another and to recognize what they are eating is what people want. From soya meal you can manufacture food products which can be given almost any texture, flavour, shape and colour, a long shelf life, a high nutritional value and a low price. Products made from soya meal are on the market. Few people buy them. When you offer people something to eat which they have never seen before, they will ask, "What is it?" and if the answer is something they do not know, most people will refuse to try it. Ask any of the brave people who go out to African countries to assuage the needs of the hungry. The starving people there will only eat food they recognize. The health-consciousness which has engulfed the developed world has fortified the will to know what we are eating. That knowledge is perceived as being infringed on by non-indigenous or substantially processed foods or by foods that have additives, even if those additives are put there expressly to benefit the consumer (which is usually the case). It is obvious that this aspect of recognizability is hardly conducive to cross-cultural exchanges of product concepts or formulations. It is worth noting two things, first, that food is the only product category where this recognizability is an almost universal requirement. Second, that in the case of other product categories, technological advances have come to override the perceived need to recognize what has gone into the product. Examples are textile fibres, where cotton, silk, wool or linen are gradually being replaced by a plethora of man-made fibres which are finding increasing acceptance. Fragrances used to (be made from and) smell like roses, lavender or lilies of the valley; now they come with weird names like coco, poison and No. 9 and smells that are obviously popular and utterly devoid of any element of recognizability. If food were ever to achieve a state of acceptability under such conditions, world hunger, for one, would be much easier to tackle.

The second reason why food is the least easily internationalisable product category we shall call the "duration-of-usage". The duration-of-usage phenomenon is not confined to food, not even confined to goods or services in trade. It is clearly recognizable in things like the visual arts, music, architecture, in language, social behaviour and modes of dress. In common with eating and drinking habits all these things have evolved over very long periods of time when communications between countries and cultures were virtually non-existent.

Today's easy communications between (many, not all!) countries is a very new thing. It did not seriously start to develop until the beginning of this century and it did not take off until after the Second World War. Until that time, each country, or at least each culture, had its own styles, diets, customs and mores and the longer their duration, the longer it would take to change them – and, thereby, for them to converge. Since the Second World War, styles, goods and services have come along that could be shown – in use – to global audiences in a fraction of a second after their inception. The global product or service could be (and was) conceived; the international product/service became commonplace. But the replacement of the traditional by the modern was neither universal nor rapid. It is worth pointing out that some brands had been international (in Europe) from the beginning of the twentieth century. But their products were not. Ford had different cars in the main markets (France, UK and Germany) and each was quite different from the cars in the home country. Heinz mainly confined itself to the UK and Scandinavia, feeling itself hampered from advances in other European countries. Nestlé's products were geared to local preferences and the company was a long way from adopting an umbrella brand. Pre-Second World War, Coca-Cola was probably the closest to an international brand with an almost international product. Traditional products die hard. To give some current examples: hand tools for similar purpose still have different shapes in different countries, but power tools are similar everywhere. By their formal or occupational clothing you can still tell people from different countries apart, but since they became rich enough to have recreational clothing, they all wear the same jeans, T-shirts and trainers.

Manual typewriters are not interchangeable between countries; in today's word processors and computers only a tiny bit of software may be different and is easily switched.

That recent convergence, again, is not confined to goods in trade. It is fairly obvious in the arts, architecture and music. And in language: English English is now increasingly peppered with English from North America and Australia, in themselves derivatives of English, which evolved to fit the cultures of utterly different countries in the course of a couple of centuries.

Back to food (and drink)

In the case of food and drink: products with a long duration-of-usage, like bread, types of meat (and the way it is butchered), soups, vegetables, fish, wine, beer and spirits still have widely divergent consumption patterns between countries, but the recent yogurts, dairy desserts, pizzas, hamburgers, frankfurters, snack foods, industrial sandwiches, light bottom-fermenting beers, cream liqueurs, bottled water and many of the confectionery products from Mars and Ferrero, as well as one or two catering formulas (MacDonald foremost among them) are already global or on the way to becoming so. Among those examples I mentioned snack foods which, to be sure, are globalizing . . . but not their flavourings. The Dutch like paprika flavour; Britons don't. The British salt-and-vinegar flavoured snacks do not find favour abroad. Those flavours, of course, stem from traditional foods in the respective countries.

So the conclusion is that a product with a long duration of usage will have difficulty getting a foothold in another country; whereas modern, recently devised products that meet modern lifestyles are likely to succeed? . . . Well, not quite.

The cross-cultural leap

Actually, it is necessary, once again, to disconfirm, or at least water down, the suggestion that the chance of international success is greatly influenced by the duration-of-usage of that category of product.

Since the Second World War, and especially during the past 30 years, the people of the developed countries have been eating more and more foods from other countries, their interest in those foods having (usually) been triggered by caterers, prior to their trial in households. Although the share of such foods (and beverages) is still very modest, it is increasing and, most significantly, these foods are mostly from the traditional repertoire of foods of the country of their origin. Quite frequently, the formulations of such foods – with or without adaptations – inspire manufacturers in the host country to launch "new products" based on them. Curries, fresh pasta, salami sausages, pâtés, Chinese and Thai dishes, quiches, brownies, baguettes, sauerkraut, cheesecake, smoked ham and pizzas are examples of traditional foods from other countries that have recently entered the UK. The mighty UK food industry has grabbed the chance to copy these foods successfully, thereby deferring the need to think up wholly new food concepts with which to tempt the ever choosier customer, with all the risk that would entail.

Ill as this cross-cultural leap phenomenon fits into the duration-of-usage hypothesis, the only circumstance the author is able to put forward in mitigation is that, international as the cross-cultural leap may be and likely as it is to proliferate, the phenomenon does not appear to hold immediate global potential.

Could it be that the cross-cultural leap is the exception which proves the duration-of-usage rule?

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