Standardization of international marketing strategy by firms from a developing country

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A major debate in the international marketing literature deals with the globalization of markets and the extent to which a company's international marketing strategy can be standardized (Buzzell, 1968; Cavusgil *et al*., 1993; Douglas and Wind, 1987; Hill and Still, 1984; Jain, 1989; Levitt, 1983; Sorenson and Wiechmann, 1975). Significant progress has been made with respect to the extent to which international marketing strategy can be standardized across national borders (Cavusgil *et al.,* 1993; Jain, 1989). However, almost all previous research has been conducted from a US-firm perspective. Even though a few studies dealt with this debate in the context of less developed economies, the issues studied were viewed from the perspective of US firms' operating activities in those economies (e.g. Grosse and Zinn, 1990; Hill and Still, 1984; Kacker, 1972).

A major gap in the literature is whether our current knowledge can be generalized to foreign companies in other nations, especially the developing world. Firms from developing countries assume an increasingly important role in international competition, since many of the fastest growing economies in the world can be found in these nations. In addition, since developing countries are often culturally different from developed countries, they provide a suitable context to assess the generalizability of the existing knowledge in the standardization literature. Consequently, it is of interest to researchers and practitioners of international marketing to know the perspective of firms from developing countries regarding the standardization and adaptation of marketing strategy.

Another void in the literature is that previous studies implicitly assume that standardization concepts are unidimensional at either the overall marketing programme level or the 4-P level (e.g. Akaah, 1991; Boddewyn *et al*., 1986;

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Buzzell, 1968; Cavusgil and Zou, 1994; Cavusgil *et al.,* 1993; Jain, 1989; Samiee and Roth, 1992; Walters and Toyne, 1989). Standardization with respect to the finer dimensions within the marketing programme or the 4-Ps have not been investigated. Vague theoretical propositions are likely to be generated from research that assumes standardization of the entire marketing programme or the 4-P elements are unidimensional constructs. Thus, there is a need to develop knowledge about the specific dimensions of the 4-Ps which can be successfully standardized. This knowledge will facilitate managerial utilization of the research in practice.

The purpose of the current study is twofold. First, the study examines the standardization of international marketing strategy by exporting firms from Colombia, a key developing country in South America. Next, we identify the underlying dimensions of and develop corresponding constructs for standardization of each of the four elements of the marketing programme. As a minor extension, the study links international marketing standardization to Colombian firms' export intensity. In the following section a brief review of the standardization literature will be presented and research questions advanced. Next, the research design and methodology are described. The analysis and findings will be presented with an orientation towards international marketing from a less developed country. Finally, conclusions will be drawn and the implications of the research findings will be discussed.

A brief review of the standardization literature

The issue of standardization was first raised with respect to international advertising policy (Elinder, 1961; Fatt, 1964; Roostal, 1963). Since then, the scope of the discussion has expanded to include the entire marketing programme (Buzzell, 1968) and marketing process (Sorenson and Wiechmann, 1975). Among the elements of the marketing programme, the product and advertising variables have received most of the research attention in the literature (Hill and Still, 1984; Jain, 1989; Keegan, 1969; Levitt, 1983; McGuinness and Little, 1981; Walters and Toyne, 1989). Standardization has been conceptualized in different ways. For instance, it can mean the same marketing strategy is applied in all markets (e.g. Samiee and Roth, 1992), or it can mean the domestic marketing strategy is applied to a foreign market (e.g. Cavusgil *et al.,* 1993). In this study, the later conceptualization is used. Numerous publications on the topic have revealed at least three dominant perspectives: the total standardization perspective, the total adaptation perspective, and the contingency perspective.

In a broad sense, the total standardization perspective emphasizes the trend towards the homogenization of markets and buyer behaviour and the substantial benefits of standardization. In contrast, the total adaptation perspective stresses the persistent differences between nations and the competitive and regulatory necessity to customize marketing strategy to individual markets. The contingency perspective allows for various degrees of standardization which are contingent on the internal organizational characteristics (goals, resources, commitment, and international experience) and external environmental forces (market demand, nature of product/industry, competitive pressure, government regulations, and technology).

In an extreme case, a total standardization of the marketing programme would entail offering identical product lines at identical prices through identical distribution systems with identical promotional programmes (Buzzell, 1968). Two premisses underlie the arguments for standardization. One is that the markets around the world are becoming homogeneous, making standardization feasible. Another is that there are significant benefits associated with a standardization strategy.

The positive aspects of standardization

The major benefits of international marketing standardization include significant cost savings, consistency with customers, improved planning and distribution, and greater control across national borders (Buzzell, 1968). Levitt (1983) provided the most compelling case for international marketing standardization. He argued that advanced technology in communication and transportation has homogenized markets around the globe. As a result, global consumers have emerged who demand high-quality products at low prices. These changes in the global marketplace have led to changes in the competitive dynamics between companies. One key source of competitive advantage has become the ability to produce high-quality products at a low cost. Since standardization of products and international marketing strategy facilitates the realization of economies of scale in production and marketing, Levitt argued that firms must pursue a standardized product and international marketing strategy to be successful in the global market.

Similarly, Ohmae (1985) contended that, in the triad of the USA, Japan, and Europe, consumer demand has become fairly homogeneous. Firms must not be blinded by the seemingly heterogeneous cultures, economies, and political systems across countries. They must seek the opportunities to rationalize their worldwide operations and treat the world as a single global market. Hamel and Prahalad (1985) also stressed the increasing interdependence between country markets. To be effective global competitors, firms have to overcome national fragmentation of markets and cross-subsidize their operations in different parts of the world. One way to facilitate cross-subsidization is to standardize the products and the marketing strategy, since global brand domination and the benefits of global channels can be enhanced.

The negative aspects of standardization

Despite the benefits of standardization, there are a number of potential drawbacks associated with a standardization strategy. As Douglas and Wind (1987) pointed out, global marketing standardization is feasible only under certain conditions. These include the existence of a global market segment, potential synergies from standardization, and availability of a communication and distribution infrastructure to deliver the firms' offerings to target customers worldwide.

One key drawback of a standardization approach is that it implies a product orientation, rather than a customer and competitor orientation (Douglas and Wind, 1987). A product orientation is myopic and presbyopic and is likely to lead to failure (Cateora, 1993; Laughlin *et al*., 1994). The marketing literature has established that a market orientation, in which customers and competitors are the focus of a company's strategy, can lead to enhanced business performance (Jaworski and Kohli, 1993; Lusch and Laczniak, 1987; Narver and Slater, 1990). A company that emphasizes product costs can be blinded about idiosyncratic customer needs and preferences across countries, and become vulnerable to competitive attacks in individual foreign markets (Cavusgil and Zou, 1994; Ricks, 1983).

Marketing standardization is subject to both internal and external constraints. Failure to respond to these constraints can deny a firm success in international markets (Cateora, 1993; Cavusgil and Zou, 1994). Internally, the company's existing worldwide network of operations may be incompatible with a standardized strategy. Moving too quickly towards global standardization can result in the disruption of established operations and the loss of key assets and managerial skills (Douglas and Wind, 1987; Quelch and Hoff, 1986). In addition, standardization is likely to encounter significant resistance from local subsidiary management (Ohmae, 1989). Thus, conflict can develop and the effectiveness of the company's international strategy can be negatively affected. The degree of standardization must also be consistent with the company's international experience (Andrus and Norvell, 1990; Cavusgil *et al.,* 1993; Douglas and Craig, 1989). Firms with different levels of international involvement tend to pursue different degrees of standardization (Andrus and Norvell, 1990).

Externally, a standardized strategy is subject to diverse government regulations and marketing infrastructure differences (Doz and Prahalad, 1980; Kreutzer, 1988; Simmonds, 1985; Zou and Cavusgil, 1996). A standardization strategy may not be feasible when government regulations vary across markets, especially when foreign businesses are required to meet environmental regulations, product safety standards, or local content requirements (Cavusgil *et al.,* 1993; Wind, 1986). Similarly, an adaptation strategy is required when substantial differences exist in marketing infrastructure since the same marketing campaign may fail as a result of infrastructure deficiencies in some markets (Boddewyn *et al.,* 1986; Douglas and Wind, 1987; Grosse and Zinn, 1990; Hill and Still, 1984).

More importantly, cultural differences and competitor strategy are external factors related to standardization. Marketers must be aware of and sensitive to the diverse cultures in foreign countries to survive and prosper in international markets (Cateora, 1993; Ricks, 1983). A standardized approach is feasible only in those markets where cultures are not significantly different. Competitor's strategy also may limit the feasibility of a standardized approach in international markets (Zou and Cavusgil, 1996). If the prevailing practice of competitors is to adapt the marketing programme and process to the idiosyncrasies of the foreign market, the company's standardized approach can be undermined (Cavusgil and Zou, 1994; Yip, 1989).

The middle ground in the debate

More recent standardization literature supports the contingency perspective of international marketing. Instead of total standardization or total adaptation, this perspective seeks a balance between the two, maintaining that the degree of standardization is determined by the external environment and internal organizational factors (Buzzell, 1968; Cavusgil *et al.,* 1993; Jain, 1989; Zou and Cavusgil, 1996). These may include cultural similarity of markets, government regulations, international experience, or firm size (Cavusgil *et al.,* 1993; Jain, 1989). In fact, Sorenson and Wiechmann (1975) and Walters and Toyne (1989) argued that standardization and adaptation should be viewed as two poles of the same continuum, allowing for various degrees of standardization.

Jain (1989) proposed a conceptual framework of marketing programme standardization that summarized the contingency perspective. Specifically, Jain's (1989) framework proposes that the degree of standardization is determined by the target market, market position, nature of product, environment, and organizational factors. Zou and Cavusgil (1996) extended the contingency framework to the case of a firm's global strategy. Empirically, Cavusgil *et al.,* (1993) and Akaah (1991) offered support to the contingency perspective. Their findings suggest that the degree of product and promotion adaptation is significantly influenced by company characteristics, product/industry characteristics, and foreign market characteristics. Indeed, the contingency perspective appears to have become the broad theoretical foundation for the study of international marketing standardization (Andrus and Norvell, 1990; Cavusgil and Zou, 1994; Jain, 1989; Kreutzer, 1988).

Despite the progress in the literature, two major issues remain unresolved in the current literature. One issue has to do with the extent to which the current knowledge of international marketing standardization can be generalized to companies in the developing world. While we know that US firms' international marketing strategy evolves with their international experience (Douglas and Craig, 1989), firms from the developing world may compete with a different pattern in the international market, due to differences in the culture and the home market environment. Thus, the contingency perspective discussed above may have to be modified to account for the international marketing strategy of firms from the developing world. An interesting research question is, therefore, to what extent firms from the developing world standardize their international marketing strategy, and how do they standardize?

Another issue deals with the unidimensional treatment of the standardization constructs in the current literature. The finer aspects of international strategy standardization within each component of the marketing programme have not been examined. Firms from the developing world may face a greater challenge when going into the international markets than the US counterparts. Perhaps this is due to the much less discriminating domestic consumers found in the third world. Therefore, companies from the developing world may have a different emphasis in their international marketing programme from their counterpart firms in the USA. The traditional 4-P level investigation may not be specific enough to detect such varied emphasis. Consequently, it is important to study the finer dimensions within the 4-Ps that can be successfully standardized or adapted by firms from the developing world. The second interesting research question is, thus, which finer aspects of the product, promotion, pricing, and place do firms from the developing world standardize when marketing their product to international markets?

Still another issue that needs to be addressed is the performance implications of international marketing standardization. Few studies have empirically examined this effect and inconclusive findings have resulted from those that have studied this issue. Because the ultimate relevance of standardization will depend on its performance implications (Jain, 1989), it would be informative to link firms' standardization to their export intensity.

To address the aforementioned two research questions and to a lesser extent the issue of the effect of standardization, the current study offers an empirical study of the international marketing strategy of Colombian exporting firms. Colombia is a major Latin American nation with a stable government and a growing economy. The country has become a leading market on the continent (USDOC, 1994). Colombia has liberalized its trade policies and is a member of the ANDEAN Pact. Being a typical developing country, Colombia provides an appropriate context in which to address the two research questions raised in this article.

Research methodology

Sample design

A mail survey of Colombian manufacturers that were involved in export marketing was conducted to assess their perspective regarding marketing strategy standardization. The sampling frame consisted of Colombian firms that have active international marketing involvement. A random sample of 550 firms was taken from the National Trade Data Bank of 1992. This sample represented Colombian firms with 250 or more employees that are involved in exporting.

Questionnaire development and measures

The questionnaire development process involved several stages. First, a thorough review of the literature revealed that there was only a limited number of developed scales measuring product and promotion standardization or adaptation. In addition, most previous studies automatically treat standardization of the overall marketing programme or the 4-Ps as unidimensional constructs. Since it was thought that the Colombian firms' perspectives of international marketing strategy may be different from their US counterparts, no a priori assumption of unidimensionality was made in the current study. To identify the specific dimensions of marketing standardization, a number of items were developed within each component of the marketing mix to measure the Colombian firms' decisions.

Second, following the framework in the traditional marketing literature (Kotler, 1994; Pride and Ferrell, 1995), a detailed list of variables within each of the 4-P components of the marketing mix was compiled.

Third, the items were put into Likert-type statements and were coded on a scale of very strongly agree (1) to very strongly disagree (6). These items were aimed to assess the degree of similarity between the various aspects of the Colombian firms' international marketing strategy and those of their domestic marketing strategy. In addition, export intensity was measured as a percentage of sales accounted for by export, a common performance measure in the literature (Axinn, 1988).

Fourth, the preliminary questionnaire was reviewed by four academicians who are familiar with the standardization literature and marketing research in South America to assess its content and face validity. Based on their feedback, revisions were made to the items.

Fifth, the questionnaire was translated into Spanish by two native Colombians and two Costa Ricans who were doing MBA work in a major US university and were familiar with international marketing terminology.

Sixth, the questionnaire was back-translated by a native English speaker and two Costa Ricans who were fluent in Spanish and familiar with international marketing research.

Seventh, the back-translated version was compared with the original version to check the equivalence of the meaning of the items before and after the translations. Except for some minor differences in wording, no major change in meaning of the items was found. Thus, the two versions of the questionnaires were considered equivalent, and the Spanish version of the questionnaire was finalized after minor wording changes were completed.

Data collection and non-response bias

Data collection involved one mailing because the cost of conducting primary data collection in a foreign country was very high and, like other international marketing researchers, the current researchers were constrained by budgetary limitations. The mailing consisted of the questionnaire itself, a cover letter, and a stamped, pre-addressed return envelope. Each survey instrument was addressed to the vice-president of international marketing. The recipient was instructed to pass it to the individual in the company who was responsible for making international marketing decisions if he or she was uncomfortable in completing the questionnaire.

There were 51 questionnaires returned for a response rate of 9.3 per cent. The relatively low response rate was probably a reflection of the fact that high ranking executives were surveyed and that data collection was done in a foreign

Characteristics	Mean	Categories	Percentage of firms
Years involved in international marketing	15	less than 3	33.3
		3 to 10 years	23.5
		11 to 20 years	13.7
		21 to 30 years	17.6
		more than 30	11.8
Number of employees with international responsibility	8	2 or less	23.5
		3 to 5	39.2
		6 to 10	11.8
		11 to 20	9.8
		21 or more	15.7
Percentage of sales from foreign markets	35.6	less than 10	19.6
		11 to 20	23.5
		21 to 30	19.6
		31 to 60	7.8
		more than 60	15.7

Table I.
Summary characteristics of the sample

country with a developing economy. High level executives are known to be less likely to respond to mailed questionnaires than people in the general population (Hunt and Chonko, 1987). In addition, collecting data from a foreign country often is more difficult than from a domestic population due to the numerous obstacles that have to be overcome (Douglas and Craig, 1983). Nevertheless, it is felt that, subject to the limitation of the low response rate, the data are useful to shed some light on the issues that are important in the literature.

Statistical analyses were carried out for non-response bias. Owing to the lack of comparable data from the non-responding firms, direct comparison of the responding firms with non-responding firms was not possible. Instead, a wave analysis with the Student's *t*-test was used as the next best approach to look for significant differences between early and late returns, classified by a medium-split by order of response (Armstrong and Overton, 1977). This provides some information about whether data from the completed questionnaires are biased by the likelihood of non-response. The wave analysis method assumes that subjects who respond less readily are more like non-respondents. Using the t-test for two sample proportions and a 95 per cent confidence level, it was found that there were no significant differences between early and late returns for items in the questionnaire at the 0.05 level. Since the study did not involve sensitive issues and the response rate was relatively strong for international research in a developing country, it was concluded that there was no compelling reason to believe that the response group systematically possessed very different response tendencies. The key characteristics of the sample are summarized in Table I.

Research findings

A multi-stage data analysis was conducted to examine the Colombian firms' perspective of international marketing standardization. Since no a priori assumption was made about the dimensionality of Colombian firms' international marketing strategy, a factor analysis was performed to uncover the specific dimensions of Colombian firms' international marketing standardization, and to reduce the number of independent variables for the subsequent analysis. The factor analysis was performed for the items measuring each marketing mix element, respectively, to facilitate interpretation of the resulting factors. The factor structures of the product, distribution, promotion, and pricing elements of the marketing mix are shown in Tables II-V based on principal component extraction and varimax rotation. Using Kaiser's rule (Dillon and Goldstein, 1984), three factors were uncovered for the product element, two for distribution, three for promotion, and one for pricing. It was concluded that the uncovered factor structures adequately captured the information contained in the variables based on an examination of the factor loadings and the variances accounted for by the individual factors.

After examining the items within each factor, the three product constructs were labelled as the standardized core product, standardized peripherals, and consumer-targeted product, respectively. Similarly, the two distribution factors were respectively labelled as the standardized distribution and standardized customer service factors. The three promotion factors were respectively labelled as standardized promotion, standardized salesforce structure, and similar promotional budget. Finally, the one pricing factor was labelled as standardized pricing.

A content analysis was conducted to purify the uncovered factors since items measuring the same factor must have consistent substantive meanings. Specifically, items that have inconsistent substantive meanings with the factor or that have low factor loadings were removed from further analysis. This

		Factor	
Item	Standardized core product	Standardized peripherals	Consumer targeted product
Similar core design	0.65		
Similar number of product lines	0.61		
Similar packaging design	0.83		
Same brand names		0.74	
Same features		0.72	
Same product warranties		0.86	
Consumer-targeted products			0.55
Industrial-targeted product			0.89
Variance accounted for (%)	22.4	27.8	14.8
Eigenvalue	1.79	2.22	1.19

Table II. Principal component analysis within product element

Table III. Principal component analysis within promotion element

Item	Factor Standardized promotion	Standardized salesforce structure	Similar promotional budget
Same media channels	0.69		
Same basic advertising theme	0.76		
Same emphasis on publicity	0.81		
Similar free sample technique	0.71		
Same salesforce training	0.80		
Same salesforce structure		0.84	
Similar spending on sales promotion			0.67
Similar spending on advertising			0.85
Variance accounted for (%)	40.8	16.6	14.7
Eigenvalue	3.26	1.33	1.18

Table IV. Principal component analysis within distribution element

Item	Factor Standardized distribution	Standardized customer service
Similar spending on distribution	0.87	
Same control over distribution	0.73	
Same modes of transportation	0.76	
Similar customer service levels		0.94
Variance accounted for (%)	46.9	26.8
Eigenvalue	1.87	1.07

Table V. Principal component analysis within pricing element

Item	Factor Standardized pricing
Similar mark-ups implemented	0.44
Similar prices charged	0.72
Similar sales forecast frequencies	0.75
Variance accounted for (%)	42.6
Eigenvalue	1.28

purification process resulted in the elimination of the following items: same product warranties from standardized peripherals, same salesforce training from standardized promotion, similar spending on sales promotion from similar promotional budget, and similar mark-ups and similar sales forecast from standardized pricing. The consumer-targeted product construct was also eliminated from further analysis following the purification process.

To further assess the reliability of the purified factors, coefficient alpha was computed for each of the purified factors. The results, together with the means and standard deviations of the factors, are reported in Table VI. As can be seen, the coefficient alpha of all multi-item factors exceeds 0.600, suggesting adequate reliability for an exploratory study of this nature (Cronbach, 1947; 1951; Nunnally, 1967). Since the reliability of the single-item factors could not be estimated, they are assumed to contain no measurement errors (Dillon and Goldstein, 1984).

An examination of the means of the purified factors in Table VI reveals that Colombian firms pursued different degrees of standardization for the various dimensions of their international marketing strategy. Since the median of the measurement scale is 3.5, a factor mean score of 3.5 or larger would suggest a high degree of standardization for the factor, whereas a score smaller than 3.5 would suggest a low degree of standardization. Thus, Colombian firms seemed to have pursued a high degree of standardization with respect to the peripherals of their products, and their promotional budget, but a low degree of standardization with respect to the rest of their international marketing strategy dimensions.

The effects of international marketing standardization on Colombian firms' export intensity were assessed by multiple regression analysis. The independent variables included all purified factors except standardized salesforce structure and similar promotional budget. These two factors were excluded from the regression analysis because they correlate with other predictors which would pose multicollinearity problems if they were to be included. The results of the regression analysis are presented in Table VII. With about 40 per cent of the variance in the dependent variable explained, the regression equation is statistically significant ($F = 4.33$, $p < 0.002$). After the regression model was assessed along the lines suggested by Dillon and Goldstein (1984), it was concluded that the regression model fits the data, and the regression coefficients adequately represented the relationship between the independent and the dependent variables.

Dimensions of international marketing strategy standardization	Mean	Standard deviation	Number of items	Coefficient alpha
Standardized core product	1.75	0.73	3	0.707
Standardized peripherals	4.45	0.93	2	0.656
Standardized distribution	2.23	0.73	3	0.696
Standardized customer service levels	1.37	0.64	1	na
Standardized promotion	2.60	0.65	4	0.813
Standardized salesforce structure	2.65	0.90	1	na
Similar promotional budget	4.91	0.80	1	na
Standardized pricing	2.65	0.93	1	na

Table VI. Descriptive statistics and estimates of construct reliability

Table VII. The relationship between standardization and export intensity

Dimensions of international marketing strategy standardization	Beta weight	t-value	Significance level
Standardized core product	0.374	2.79	0.008
Standardized peripherals	–0.305	–2.18	0.035
Standardized distribution	–0.155	–1.08	0.289
Standardized customer service levels	–0.342	–2.69	0.010
Standardized promotion	–0.077	–0.53	0.598
Standardized pricing	0.244	1.76	0.085

Dependent variable: export intensity

R-square	0.400
Adjusted R-square	0.308
F-statistic	4.33
Significance level	0.002

As the results in Table VII indicate, Colombian firms' export intensity is positively and significantly influenced by a standardized core product (t = 2.79, $p < 0.008$) and standardized pricing (t = 1.76, $p < 0.085$). However, Colombian firms' performance is negatively and significantly influenced by standardized peripherals (t = –2.18, $p < 0.035$) and standardized customer service levels (t = –2.69, $p < 0.01$). Thus, for Colombian firms, there exist an array of relationships between international marketing standardization and export intensity.

Discussion and conclusions

This study examines the perspective of Colombian exporting firms to shed light on international marketing strategy standardization by firms from the developing world. We have identified the extent to which Colombian exporters standardize their marketing strategy, uncovered the finer dimensions within the 4-Ps which the Colombian exporters tend to standardize, and linked the standardization strategy to their export intensity. The findings of the current study offer several insights regarding the generalizability of the standardization literature to the developing world, and help fill the three gaps in the literature. To the knowledge of the authors, this is the first empirical study that investigates the perspective of firms from South America regarding marketing standardization. The following discussion highlights the key findings of the current research.

Colombian firms' perspective of marketing standardization

Most previous studies have found that the standardization of US firms' marketing strategy can be examined with respect to the product, promotion, pricing, and distribution elements of the marketing mix (Cavusgil *et al.*, 1993; Hill and Still, 1984; Walters and Toyne, 1989). Findings of the current study suggest that the factor structure of Colombian firms' marketing standardization is generally consistent with the marketing mix elements. However, Colombian firms seem to have more elaborated dimensions of marketing standardization, revealing finer aspects within the product, distribution, and promotion components of the marketing mix. For instance, the standardization of the core product is distinguishable from that of peripherals, and so is the standardized promotion from the promotional budget. These findings suggest that Colombian firms may be more conscious in conceiving their export marketing strategies. In light of the difficulties facing most firms from developing countries when entering foreign markets, it is not surprising that they are more elaborate and willing to adapt in their export marketing strategies.

Based on the factor mean scores reported in Table VI, Colombian firms seem to seek a high level of standardization with respect to the peripherals of their products and their promotional budget, but a low degree of standardization with respect to their core products, distribution, customer service levels, promotion, sales force structure, and pricing. This finding is consistent with the view that Colombian firms may be more elaborate in developing and implementing their export marketing strategies. The finding also suggests that when firms from developing countries begin to export, they do not simply follow their domestic marketing strategy. Since a well-developed market system may not exist in most developing countries, the domestic marketing strategy of firms from those countries may not be sophisticated enough to ensure success in international markets. Thus, they tend to adapt their marketing strategy when they enter foreign markets. This may be in contrast to the US firms, since US firms are more likely to seek a standardized approach when they first enter the foreign markets (Douglas and Craig, 1989). Thus, the contingency framework of international standardization has to be modified in developing countries to take into account the less developed market system in those nations.

Finally, the findings lend support to the multidimensional view of international marketing standardization by Colombian firms. Rather than taking an omnibus view of marketing programme standardization, Colombian firms tend to stress certain aspects of their international marketing strategy and de-emphasize others when making standardization decisions. In particular, the peripherals of the product and the promotional budget have been standardized more than other aspects of their marketing strategy. Thus, researchers should examine international marketing standardization of firms from developing countries along finer dimensions of the marketing programme elements. The conventional 4-P level investigation is too broad to expose the finer aspects of these firms' standardization strategy.

The effect of international marketing standardization on export intensity

The findings of the current study indicate that there is not a simple overall relationship between Colombian firms' marketing standardization and export intensity. Indeed, a set of relationships has been found. The specific nature of the relationship must be examined with respect to individual dimensions of marketing standardization. In fact, standardization of core products and pricing appear to result in increased export intensity, but standardization of peripherals and customer service levels contribute to reduced export intensity.

The finding is supportive of Quelch and Hoff's (1986) view of "thinking global but acting local" and Walters and Toyne's (1989) recommendation for product modification in the international markets. Since the core product defines the functionality of the product and is often expensive to modify, marketers should standardize the core product whenever feasible. The peripherals, on the other hand, cater to the cultural preferences of consumers and, thus, must be tailored to the idiosyncrasies of foreign markets (Walters and Toyne, 1989). Therefore, standardized peripherals may not meet the cultural differences and can result in reduced export sales. Since price in developing countries is usually low, standardized pricing strategy can help penetrate the export market and increase export sales. The reason that standardized customer service levels led to reduced export sales for Colombian exporters may lie in the fact that in most developing countries, customer service has not been integrated into the total marketing offering of firms. As a result, customer service is often perceived as an extra benefit, not as an essential ingredient of a company's marketing activities. When competing in more advanced markets, the same level of customer service could be problematic.

An interesting finding of this study is that even though standardized core product and standardized pricing affect export intensity positively, Colombian exporters instead have sought a low degree of standardization with regard to the core product and pricing. In addition, while standardized peripherals influence export intensity negatively, the firms pursue a high degree of peripheral standardization. This may suggest that Colombian exporters have not closely monitored the impact of their international marketing strategy on performance. It may also suggest that Colombian firms may be overwhelmed by seemingly different foreign market environments such that they may not consider the feasibility of pursuing standardization with respect to some aspects of their international marketing strategy. These firms may need to modify their existing strategy so that increased export sales can result.

Managerial implications

The findings of the current study offer several guidelines for Colombian firms competing in international markets. These guidelines may also be relevant for firms from some other South American developing countries. At a more general level, firms should approach marketing standardization with a multidimensional perspective. Instead of simple standardization or adaptation of marketing strategy, there are several dimensions of marketing strategy on which various degrees of standardization can be pursued. At the operational level, developing country firms should seek a high degree of standardization for their core product and pricing strategy whenever feasible. On the other hand, firms should avoid using standardized peripherals and standardized customer service levels when foreign markets are culturally different from the domestic market or when entering a foreign market that expects a varied level of customer service.

Currently, Colombian companies seek a high degree of standardization for product peripherals as shown in Table VI. However, the results in Table VII indicate that following this particular marketing strategy has a negative impact on their export intensity. Our findings suggest that Colombian firms should adapt their product peripherals to improve this particular international performance measure.

An analysis of the findings in Tables VI and VII suggests other marketing strategies that Colombian firms should adopt to improve their international business performance. Colombian firms tend to have a low degree of standardization of their core product and pricing strategies to foreign markets as found in Table VI. Results in Table VII indicate that standardizing the core product and offering a standardized price would increase the export intensity of Colombian companies.

Limitations of the study

A number of limitations of the current study must be kept in mind when interpreting the research findings. First, the current study has examined the Colombian firms' perspective of marketing standardization, rather than the direct comparison of the US firms with Colombian companies. As such, comparison of the current findings with those regarding US firms must be made with a clear understanding of the differences in the sample and the cultural contexts. Second, the sample size of 51 companies is relatively small and the response rate is relatively low. This reflects the difficulties of conducting international marketing research in a developing country. For example, in this study the initial plan was to send the questionnaires to Colombian exporters from within Colombia. However, the boxes containing the questionnaires were stopped by the local custom officials. Later, the questionnaires were reproduced and sent to the potential respondents directly from the USA. The higher cost of doing so prohibited the second-wave mailing. Third, there was no direct comparison of the responding firms to non-responding firms. This must be kept in mind when one attempts to generalize the findings to the whole population of Colombian firms. Fourth, only one performance indicator, export intensity, is used in this study, and other potentially relevant measures of performance such as profits, market share, or sales growth are not assessed. Comparison of the current findings to those in previous studies must be made in light of this unique measure of performance.

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