INTERNATIONAL MARKETING POLICY: A DISCUSSION OF THE STANDARDIZATION CONSTRUCT AND ITS RELEVANCE FOR CORPORATE POLICY

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Abstract. A fundamental question in international marketing concerns the desirability and feasibility of standardizing marketing programs and procedures internationally. The primary objective of this paper is to present an overview and evaluation of the standardization debate. Central issues of interest include a discussion of the standardization construct and an evaluation of the evidence regarding corporate implementation of standardization strategies.

INTRODUCTION
A fundamental issue in international marketing concerns the extent to which marketing programs and processes should be standardized across national boundaries. A preoccupation with this question is not of recent origin, and a considerable body of literature dealing with the problem can be identified.

Despite the longstanding interest in the topic, it is apparent that there are sharp differences of opinion as to the desirability and feasibility of standardization. Levitt (1983), for example, has argued that “companies must learn to operate as if the world were one large market—ignoring superficial regional and national differences.” Sorenson and Weichmann (1975) have, on the other hand, stated that there is often excessive standardization of international marketing programs, and they are skeptical as to the economic benefits of program standardization. In their view, “companies already using systematic cross-border analysis have realized that marketing programs cannot often be standardized.”

Lack of consensus in this area is not surprising. The issue is a complex one, which can be addressed from a variety of perspectives. Should the discussion

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be pitched in terms of marketing output or the marketing management process? Is it relevant to concentrate on all or only selected elements of the marketing mix? In terms of program policy, is it best to focus on establishing broad policy parameters or should one be concentrating on standardizing detailed international marketing presentations? Other sources of confusion arise from variance in the characteristics of the companies and products under review. For this reason alone, it would be naive to believe that unique recipes for success with universal validity have been, or are waiting to be, discovered.

At a fundamental level, it is apparent that disagreement as to the viability of standardization strategies often reflects varying interpretations as to the nature of the environment facing the international company. Insofar as market heterogeneity at the cultural, economic and other levels is seen to be either small or on the decline, then standardization becomes more attractive and feasible. Even when markets vary significantly on many variables, the debate is not necessarily over. Firstly, there is a good deal of room for differences of opinion as to the significance of objective differences between markets. Secondly, there is the possibility of delineating international market segments which are perceived to be both of significant size, and to exhibit a high degree of uniformity on key marketing characteristics.

In spite of the confusing nature of much of the discussion, the standardization issue is one that should be given very careful consideration in international companies. The nature of a firm's international marketing program will be directly affected by the management stance taken on this question, and this will have obvious implications for corporate cost, revenue and competitive performance in international markets. Other important areas of activity, notably the scope and nature of international market research and the extent and form of HQ planning and control over foreign marketing programs, will also be directly affected.

The primary goal of this paper is to provide an overview and synthesis of the standardization debate. Central issues of interest include a discussion of the standardization construct as it relates to both marketing programs and processes for international operations. Research findings on corporate experience are also evaluated, with a view to gaining a better appreciation of the viability of standardization strategies in the international market place.

**STANDARDIZATION OF INTERNATIONAL MARKETING PROGRAMS**

An important distinction should be made between standardizing marketing programs and uniformity of the managerial process. Most of the early literature in the field focussed on the first dimension of standardization. The issue of process standardization was taken up later, and has been addressed increasingly often in more recent studies.