THE INFLUENCE OF GLOBAL MARKETING STANDARDIZATION ON FINANCIAL PERFORMANCE OF BUSINESS UNITS IN TURKEY

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ABSTRACT

The Influence of Global Marketing Standardization on Financial Performance of Business Units in Turkey

by

Fulya Özparlak Arman

Global standardization is a popular subject in both the academic and business environments. This is not a new subject, but its importance gains acceleration as technology change rate increases. Increasing technological innovations give speed to communication which makes the world markets to reach a convergence point.

Although the subject is very important, there are only a few researches that are empirical. The views reached for the global standardization are conceptual and have no empirical support.

In this research we try to understand the differences between the firms that emphasize standardization and firms that do not stress standardization. The relationship between firms that emphasize standardization and the decision making characteristics of managers is another point of this study. Also, the most popular advantage of standardization - financial performance - is investigated. This research is made from an LDC (less developed country) point of view.

The data is collected from international firms operating in Turkey in consumer goods and computer sectors. A questionnaire is sent to the managers of BUs.

The results show that there are no great differences between standardized and non-standardized firms. Firms that emphasize standardization give more importance to capacity utilization and price leadership, but the other factors do not seem to differ significantly between the two groups.

ÖZET

Türkiye'de Global Pazarlamada Standartlaştırmanın İş Ünitelerinin Performansları Üzerindeki Etkisi

Fulya Özparlak Arman

Global pazarlama hem akademik, hem de iş çevrelerinde son derece popüler bir araştırma ve uygulama konusudur. Teknolojik gelişmenin hız kazanmasıyla birlikte artan komünikasyon dünya pazarlarını birbirlerine daha benzer hale getirdiği için global pazarlama da gittikçe önem kazanmaktadır.

Global pazarlama bu kadar önemli bir konu olmasına rağmen, bu konuyla ilgili araştırmalar kavramsal çalışmalardan çok öteye geçememiş, ve ampirik olarak desteklenememiştir. Bu araştırma da global pazarlamanın en önemli avantajlarından biri olan performans üzerindeki etkisini ampirik olarak araştırmayı hedefledik. Bu çalışma az gelişmiş ülkelerde global pazarlamanın etkileri üzerine bir ışık tutabilecektir.

Araştırma verileri tüketici ürünleri ve bilgisayar sektörlerinde çalışan uluslararası şirketlerin yöneticilerine gönederilen anketlerle toplanmıştır.

Sonuçlar standartlaştırmayı uygulayan ve uygulamayan şirketler arasında çok önemli farklar olmadığını göstermektedir. Finansal performans konusundaysa elde edilen sonuçlar standartlaştırmayı uygulayan iş ünitelerinin diğerlerinden daha iyi göstergelere sahip olduğunu göstermektedir. Hedeflenen performans verileri ise iki grup arasındaki farkı kapatmak üzere adımlar atıldığını işaret etmektedir.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION

When examining the environmental changes facing firms today, international competition takes the first place on the list. The growing importance of international competition is well recognized both in the business and academic communities. Figure 1 shows the comparison of world trade and world GNP. Around mid-1970s, when the growth in the world trade began to significantly exceed the growth in world GNP, internationalization becomes to be important. Foreign direct investment by firms in developing countries began to grow rapidly a few years later, about 1973. The period marked the beginning of a fundamental change in the international environment.

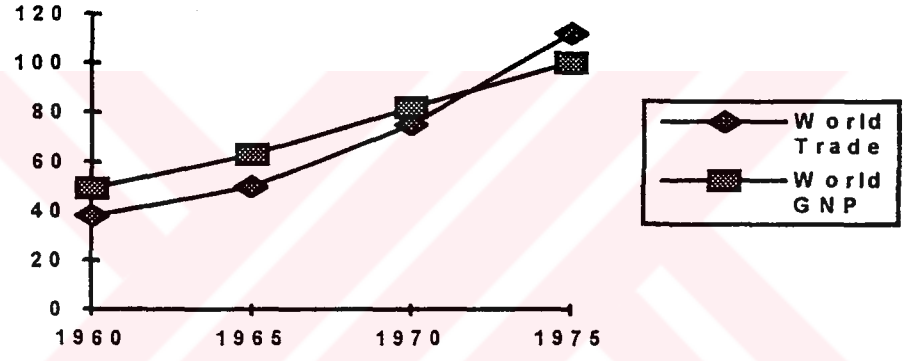

Figure 1 : Growth of World Trade (Porter, 1986, p.10)

Technology, a powerful force drives the world toward converging commonality. It has affected communication, transportation, and travel. It has made isolated places, and impoverished people eager for modernity's sources. Almost everyone everywhere wants all the things they have heard about, seen, or experienced via the new technology.

The result is a new commercial reality - the emergence of global markets for standardized consumer products on a previously unimagined scale of magnitude. Corporations geared to this new reality benefit from enormous economies of scale in

production, distribution, marketing, and management. Levitt (1983) sees such scale economies as resulting in not just standardized products, but product standards of unbeatable quality and consistent reliability delivered at the lowest price. The globalization of markets are at hand. According to Levitt, with globalization of markets the multinational commercial world nears to its end, and so does the multinational corporation. The multinational and global corporation are not the same thing. The classification of companies in Figure 2 illustrates how the global corporation differs from national, international, and multinational companies. (Levitt 1983; Huszagh, Fox, and Day 1986).

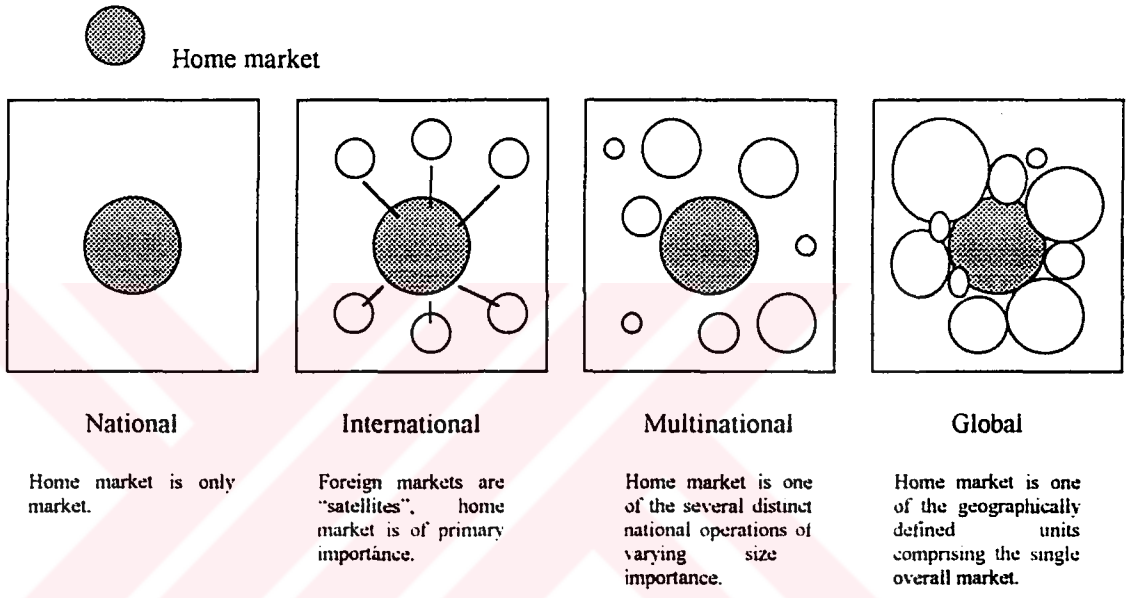

Figure 2 : Classification of Companies (Huszagh, Fox, and Day; 1986, p.32)

The strictly national company obviously sees only the home market as its competitive arena; the international company views its foreign markets as secondary to the home market; the multinational looks at foreign markets as equal to, or even more important than its headquarters' market and differentiates its marketing strategy to fit the needs of these markets; and finally, the global company standardizes a part or all of its strategy and execution on a worldwide basis ignoring to varying degrees national differences. Various states of global marketing may be underway; the two extremes are from total uniformity of all mix elements to adaptation of price, promotion, and distribution. Global marketing to its extreme - the same products marketed in the same way everywhere - appears illusory as Levitt acknowledges.

"McDonald Corporation markets its services thorough 12,000 outlets in 59 countries. The firm maintains standardized specifications for its equipment technology, product offerings, customer service, cleanliness, value and operational systems. Though its menus vary somewhat from country to country, its core product offering is consistent on a global basis. McDonald's global marketing also includes standardized positioning and distribution strategies. Likewise, some Coca Cola and Colgate Palmolive products are marketed in more than 160 countries. The Coca Cola company uses relatively standard brands, formulations, packaging, positioning and distribution in its global markets. IBM and the manufacturers of many industrial products also design, manufacture, and market their products on a global basis" (Samiee and Roth, 1992, p.1).

It is not surprising then that the global standardization of marketing activities has emerged as an increasingly important topic of discussion among academicians and practitioners. As multinational corporations (MNCs) have matured thorough accumulation of experience and knowledge from operating worldwide (Douglas and Wind 1987), aided by more efficient and less costly international communications, travel, transportation, and distribution infrastructure (Buzzell 1968; Levitt 1983), observers have argued that the world markets have become increasingly similar and, hence, a standardized approach toward sourcing, production, marketing, and other functions is both feasible and desirable. Interestingly the standardization issue is not new. Whether to standardize or to customize has been a vexing question with which international marketers have wrestled since 1960s. The question was originally raised in the context of international advertising policy by Elinder (1961), and Fatt (1964). The question was later broadened to include other elements of the international marketing program in studies by Buzzell (1968), Keegan (1969), Alymer (1970), and many others during the 1970s and 1980s. Interest in the topic has continued at a high level in recent years, with noteworthy contributions, including work by Levitt (1983), , Hill and Still (1984), Quelch and Hoff (1986), Walters (1986), Boddewyn et al. (1986), Douglas and Wind (1987), Jain (1989), Walters and Toyne (1989), Roth and Morrison (1992), and Samiee and Roth (1992).

According to Levitt (1983) "Two vectors shape the world - technology and globalization. The first help determine human preferences; the second, economic realities. Regardless of how much preferences evolve and diverge, they also gradually converge and form markets where economies of scale lead to reduction of costs and prices" (p.102).

The modern global corporation is quite different from the multinational corporation. Instead of adapting to local market the global corporation will force the markets for standardized products and practices on the entire globe (Levitt, 1983).

A corporation turns to be global if there is some competitive advantage to integrating activities on a world wide basis (Porter 1986). A firm may possess two types of competitive advantage : low relative cost or differentiation; that is, its ability to perform the activities either at lower cost or in a unique way relative to its competitors.

"Given what is everywhere the purpose of commerce, the global company will shape the vectors of technology and globalization" (Levitt 1983, p.102). The global company will push these vectors to their convergence point, and offer everyone high quality and more or less standardized products at lower prices. When achieving these goals the company will look for expanded markets to increase its profits (Levitt, 1983).

It will systematically push technology and globalization toward their own convergence, offering everyone simultaneously high quality, more or less standardized products at optimally low prices, thereby achieving for itself vastly expanded markets and profits.

The pursuit of global standardization is generally considered to be appropriate only to the extent to which it has a positive influence on financial performance. Buzzell (1968), in his pioneering piece on marketing standardization, expressed the importance of profitability in assessing the suitability of standardization. Other authors also have stressed the importance of economic payoff in decisions about

standardizing global marketing practice. (Jain 1989; Keegan 1969; Wind 1986). In as much as lower costs may lead to increased profitability, several authors also emphasized the scale effects associated with standardization (Henzler and Rall 1986; Hout, Porter, and Ruden 1982; Jain 1989; Levitt 1983; Rutenberg 1982; Sorenson and Wiechmann 1975; Terpstra 1987).

Although the relationship of financial payoff and standardization is an important topic on globalization, today there are only a limited number of empirical researches made to validate the relationship. In 1992 Samiee and Roth address this controversy in the marketing literature about the suitability of global standardization, which is also the purpose of our study.

The belief systems of an organization are exemplified in part through managerial decision making. These belief systems are not, however inflexible or unalterable. Rather, part of the role of top management is reshaping and redirecting belief systems in a manner that supports strategic choices (Donaldson and Lorsch, 1983). From this perspective, our research has attempted to identify the belief systems that are consistent with different strategy types. Studies on this topic generally confirm that a higher level of organizational performance results when the decision making characteristics within an organization and its strategy are aligned (e.g. Govindarajan, 1988; Gupta and Govindarajan, 1984; Miller, Kets de Vries and Toulouse, 1982; Miller and Toulouse, 1986).

The international strategy literature suggests that the management of decision making characteristics may be particularly important for global businesses (Bartlett and Ghoshal, 1989; Hedlund and Rolander, 1990) because geographic and cultural distances within the business unit inherently creates variability in the organization's decision making. As a result, attention must be devoted to managing decision making characteristics in order to avoid fragmentation and dissipation across locations. Furthermore, Doz and Prahalad (1988) assert that recent patterns of global competition cannot be fully explained without considering the influence of managerial belief systems. In an international context, capital, technological, and cost differentials between businesses are diminishing as businesses with dispersed

operations have access to comparable resources and country-based factor endowments. Where asymmetries do exist, they may be offset quickly through strategic alliances, collaborative agreements, or other cooperative arrangements (Doz and Prahalad, 1988). Given comparable access to the fundamental sources of the advantage, a critical source of the competitive advantage becomes managerial characteristics because such characteristics may create a differential or unique capability to implement a particular strategy, thereby becoming a firm-specific advantage.

Thus a potential exists to further understand international strategy by considering the influence of decision-making characteristics of top level management. Possible benefits of this approach would include not only a "greater power to predict organizational outcomes" but also a clearer direction for the design of management development programs and normative integration activities within the organization (Hambrick and Mason, 1984). Furthermore a better understanding of top management decision making may enhance understanding of organizations' abilities to exploit strategic opportunities (Roth, 1992).

Given these considerations, one of the purposes of this study is to determine if organizational outcomes can be predicted from patterns of businesses' decision-making characteristics and international strategy.

This study is structured to achieve the following objectives :

1. Examine empirically the relationship between global standardization and financial performance of business units (BUs) within the global industry context.

2. Examine empirically the relationship between the global standardization and decision-making characteristics of the BUs.

3. Examine the relationship between global standardization and (1) the technological environment, (2) stage of product life cycle, (3) the importance of key corporate policies and the components of marketing plan, and (4) strategic positioning.

4. Add a less developed country (LDC) dimension to the existing literature which is heavily biased to the experiences of operating in developed countries.

This study consists of four chapters. Chapter 1 is this introduction part.

Chapter 2 focuses on prior empirical and conceptual studies on global marketing. The evolution of globalization is summarized from Michael Porter's (1986) research. The global standardization concept, the factors that are stated to effect global standardization and whether to go standardized or not is summarized in this chapter. Also, the advantages and disadvantages of global standardization are stated from the literature. Barriers to marketing standardization and future trends in international marketing are stated.

In Chapter 3 the research design, methodology and sampling procedures of a field study conducted among participating international business units are stated. Hypotheses that this research tries to answer are stated.

In Chapter 4 the findings of field survey conducted among participants are presented. The conclusions are summarized, including the implications for managers and later researchers.

2. BACKGROUND OF STUDY

2.1. THE EVOLUTION OF GLOBALIZATION *

Around 1880, most companies were local or regional in scope. There were few economies of scale in production until fuel-powered machines and assembly-line techniques emerged. There were heterogeneous product needs among regions within countries, much less among countries. There were few, if any national media, and the transportation was slow until railroad system became well developed.

These structural conditions created little impetus for the widespread globalization. Goods were simply unavailable in some countries (who then imported them from others) or differences in the availability of land, resources, skilled labor made some countries desirable suppliers to others. Export of local production was the form of international strategy adapted. There was little role or need for widespread government barriers to international trade during this period, although trade barriers were quite high in some countries for some commodities.

Around the 1880s, however, were the beginnings of what today blossomed into globalization. The first wave of global competitors grew up in the late 1800s and early 1900s. Many companies went from local (or regional) to national in scope, and some began globalizing. Early global competitors were principally American and European companies.

Driving this first wave of modern globalization were rising production scale economies due to advancements in technology that outpaced the growth of the world economy. Product needs also became more homogenized in different countries as knowledge and industrialization diffused. Transport improved first through the railroad and steamships and later in trucking. Communication became easier with the telegraph than the telephone. At the same time trade barriers were either modest or overwhelmed by the advantages of the new large-scale firms.

The burst of globalization soon slowed, however. Most of the firms move to multidomestic patterns - multinationals remained, but between the 1920s and 1950 they often evolved towards federations of autonomous subsidiaries. The principal reason was a strong wave of nationalism and resulting high tariff barriers, partly caused by the world economic crisis and world wars. Another barrier to global strategies was a growing web of cartels and other interfirm contractual agreements. These limited the geographic spread of firms.

The early global competitors began dispersing their chains. Firms that became multinationals during the interwar period tended to adopt country-centered strategies. European multinationals, operating in a setting where there were many sovereign countries within a relatively small geographical area, were quick to establish self-contained and quite autonomous subsidiaries in many countries. A more tolerant regulatory environment also encouraged European firms to form cartels and other cooperative agreements among themselves, which limited their foreign market entry.

Between the 1950s and the late 1970s, however, there was a strong reversal of the trends. There have been very strong underlying forces driving the globalization. The important reasons for this change can be understood. The concentration of activities rose sharply, while its costs fell. There was a renewed rise in scale economies in many activities due to advancing technology. The pace of technological change has increased, creating more incentive to amortize R&D costs against worldwide sales.

Product needs have continued to homogenize among countries, as income differences have narrowed, information and communication flowed more freely among the world, and travel has increased. Growing similarities in business practices and marketing systems in different countries have also been a facilitating factor in homogenizing needs. Within countries there has been a parallel trend towards greater market segmentation, which some observers see as contradictory to the view that product needs in different countries are becoming similar. However, segments today seem based less on country differences and more on buyer differences that transcend

country boundaries, such as demographics, user industry, and income groups. Many firms successfully serve a narrow segment of an industry worldwide.

A sharp reduction in the real costs of transportation was another driver of post-World War II globalization. Innovations in transportation technology including increasingly large bulk carriers, container ships, and larger, more efficient aircraft were the reason of decreasing costs of transportation. At the same time, government impediments to globalization have been falling in the postwar period. Tariff barriers have gone down, international cartels, and patent sharing agreements have disappeared, and regional economic pacts such as the European Community have emerged to facilitate trade and investment, albeit imperfectly.

The ability to coordinate globally has also risen markedly in the postwar period. Perhaps the most important reason was falling communication costs and reduced travel time for individuals. The ability to coordinate activities in different countries has also been facilitated by growing similarities among countries in marketing systems, business practices, and infrastructure - country after country has developed supermarkets and mass distributors, television advertising, and so on. Greater international mobility of buyers and information has raised the layout to coordinating how a firm does business around the world. The increasing number of firms who are multinational has created growing possibilities for differentiation by suppliers who are global.

The forces underlying globalization have been self-reinforcing. The globalization of firms' strategies has contributed to the homogenization of buyer needs and business practices. Early global competitors must frequently stimulate the demand for uniform global varieties. Similarly, globalization of industries begets globalization of supplier industries - the increasing globalization of automotive component suppliers is a good example. Pioneering global competitors also stimulate the development and growth of international telecommunication infrastructure as well as the creation of global advertising media.

A large body of literature has investigated the many implications of the models of international trade which are nested in the principle of comparative advantage (Caves and Jones, 1985). The unit of analysis in these studies is the country. There is also considerable literature on the multinational firm. The work of Caves and Jones (1985) has stressed the role of multinational in transferring the know-how and expertise gained in one country market to others at low cost, and thereby offsetting the unavoidable extra costs of doing business in a foreign country.

There is also a related literature on the problems of entry into the foreign markets and the life cycle of how a firm competes abroad, beginning with export or licensing, and ultimately moving to the establishment of foreign subsidiaries (Vernon, 1966). Finally many of the functional fields in business administration research have their branch of literature about international issues - e.g. international marketing, international finance.

Porter (1986) focuses on the connections among country competition and claims that in one way or another, a firm's activities in one country affect or are affected by what is going on in other countries. Porter (1986) sees the appropriate unit of analysis in setting international strategy as the industry. According to him there are multidomestic industries which a MNC may enjoy a competitive advantage from the one time transfer of know-how, but modifies and adapts its intangible assets to employ them in each country. These industries include retailing, consumer packed goods, distribution, insurance, consumer finance, and caustic chemicals. At the other end there are global industries in which a firm's competitive position in one country is significantly influenced by its position in other countries. In a global industry, a firm must in some way integrate its activities on a worldwide basis, which requires more than transferring intangible assets among countries.

2.2. GLOBAL MARKETING STANDARDIZATION CONCEPT

Four dimensions of global marketing concept are business functions, products, marketing mix elements, and countries. In many multinational companies, some functional areas have greater program standardization than others. Marketing is usually one of the last functions to be centrally directed, standardization can be greater in production and finance (Quelch and Hoff, 1986). The standardized marketing programs were originally raised in the context of international advertising policy by Elinder (1961) and Fatt (1964).

Quelch and Hoff (1986) state that in the best of all possible worlds, marketers would only have to come up with a great product and a convincing marketing program and they would be the world winner. Levitt (1983) asserts that well-managed companies have moved from emphasis on customizing items to offering globally standardized products that are advanced, functional, reliable and low-priced.

The multinational corporation knows a lot about great many countries and willingly adopt to national differences. By contrast, the global corporation knows everything about one thing. It knows about the worldwide basis as well as nationally and seeks constantly to drive down prices by standardizing what it sells and how it operates. It knows about the one great thing all nations and people have in common: scarcity. The multinational corporations think that preferences are fixed, not because they are but because of rigid habits of thinking about what actually is. Most executives think that marketing is to give customers what he says he wants rather than trying to understand exactly what he would like. However, the purpose of the business is to get and keep a customer. A company must use all of its resources for creating products that are preferred. Today there are no markets away from competition. "Nobody is safe from global reach and irresistible economies of scale" (Levitt, 1983).

Executives view global marketing as an either / or proposition - either full standardization or local control. But a global approach can fall anywhere on a spectrum from tight worldwide coordination on programming details to loose

agreement on a product idea. "The long issue today is not whether to go global, but how to tailor the global marketing concept to fit each business and how to make it work" (Quelch and Hoff, 1986).

The statements below are concluded by various researchers:

- There are two aspects of standardization: program and process (e.g., Sorenson and Wiechmann, 1975)
- Across the board standardization is inconceivable (e.g., Killough 1978)
- The decision on standardization is not a dichotomous one between complete standardization, and customization. Rather, there can be degrees of standardization (Quelch and Hoff, 1986).
- A variety of internal and external factors affect the standardization decision. Among these product / industry characteristics are permanent (e.g., Wind and Douglas, 1986).
- Generally, standardization is more feasible in settings where marketing infrastructure is well developed (e.g. Peebles, Ryans and Vernon, 1978).

3.3. HOW AND WHEN TO STANDARDIZE ?

Products that enjoy high scale economies or efficiencies and are not highly culture-bound are easier to market globally than others (Quelch and Hoff, 1986).

Standardization has two aspects: program and process (Sorenson and Wiechmann, 1975). "Program" refers to various aspects of the marketing mix, and "process" implies tools that aid in program development and implementation.

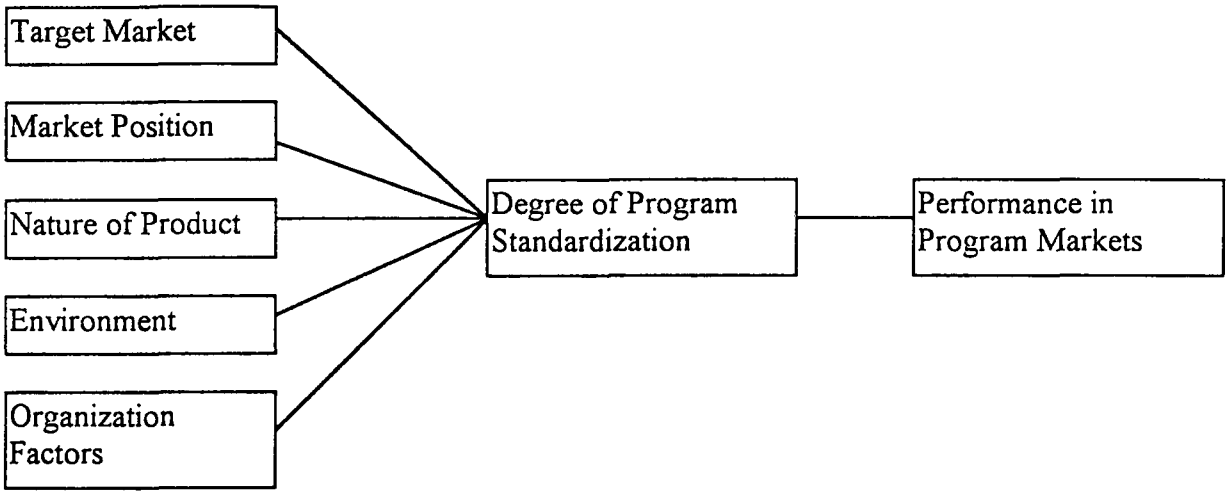

Figure 3 : Standardization Framework (Jain, 1989, p.72)

Figure 3 is a framework for determining the degrees of standardization feasible in a particular case. The key concepts, stated below, underlie the reasons for this framework (Jain, 1989).

- Total standardization is unthinkable.
- The degree of standardization in a product / market situation should be examined in terms of its long term advantage.
- Effective implementation of standardization should be examined in terms of its long term advantages.
- Program standardization depends on various factors as shown in Figure 3.

Global standardization is likely to be more dependent on the process than on the program. Multidomestic firms or a subset of them may exercise process standardization to a greater degree whereas global and market extension firms may be more likely to pursue program standardization (Samiee and Roth, 1992).

Rather than looking at the target market in terms of rich / poor nations, it is possible to identify segments both in developed and developing countries, that are similar and represent a homogeneous market (Jain, 1989). Empirical evidence on the intermarket segment concept is provided by Hill and Still (1984), who found that greater product adaptation was required in rural areas than urban areas in less developed countries. In segmenting world markets, market development, market conditions and competitive factors must be considered.

The product life cycle concept explains that different national markets for a given product can be in different stages of development. If a product's foreign market is in a different stage of development than its native market, appropriate changes in the product design are desirable, in order to make an adequate product / market match (Jain, 1989). Polaroid's swinger camera is claimed to have failed in France because the company pursued the same strategy there as in US, when the two markets were in different stages of product development. The US market was in maturity stage when the French market was in the introductory stage (de La Torre, 1975).

The three market conditions that influence the standardization decision are cultural differences (Terpstra and Davis 1985), economic differences (Terpstra, 1986), and differences in customer perceptions (Kaynak and Çavuşgil, 1983) in foreign markets.

Culture influences every aspect of marketing. The products people buy, the attributes they value, and the principals whose opinions they accept are all culture based choices (Lipman, 1988). Hence, where a product is culturally compatible with the society, it is likely to be more suitable for standardization (Britt, 1974). Foreign products in many cultures (especially in less developed countries) are perceived as high quality products. In such cases standardization would be desirable (Aydın, and Terpstra, 1981). In contrast, if the image of a country's products is weak, it would be strategically desirable to adapt a product so that it could be promoted as different from, rather than typical of that country's products.

In the absence of current and potential competition, a company may continue to do well in a foreign market with a standard product. However, the presence of competition may necessitate customization to gain advantage over competitors by providing a product that matches local conditions precisely. Similarly, if the competitive position of a firm does not vary among markets, pursuing a global strategy may be worthwhile (Porter, 1986). In addition if the firm competes with the same rivals, with similar share positions, in different markets, standardization would be more likely (Copeland and Griggs, 1985; Quelch and Hoff, 1986).

Standardization is more feasible for industrial goods, than for consumer goods (Boddewyn, Soehl, and Picard, 1986). Among consumer goods durables offer greater opportunity for standardization than nondurables because the later appeal to be related to habits and customs, which are unique to each society (Douglas and Urban, 1977).

"Positioning" refers to designing the product to fit a given place in the consumer's mind (Kotler, 1984). If a product was positioned overseas by the same approach as at home, standardization would be feasible (Sorenson and Wiechmann, 1975).

Global marketing decisions about product, price, promotion, and distribution are no different from those made in the domestic context. However, the environment with in which these decisions are made is unique to each country. Hence differences in environment are important concern effecting the feasibility of standardization (Çavuşgil and Yavaş, 1984; Green, Cunningham, and Cunningham, 1975). Operationally four types of environments can be identified : Physical, legal, political, and marketing infrastructure (consists of institutions and functions necessary to create, develop demand, including retailers, wholesalers, sales agents, warehousing, transportation, credit, media, and more).

Effective standardization is accomplished through a tight linkage of subsidiaries with the headquarters. The relevant factors are corporate orientation, headquarters-subsidiaries relationship and delegation of authority. The orientation of a company's managers towards the various aspects of doing business overseas includes such considerations as managers' attitudes towards foreigners and overseas environments, their willingness to take risk and seek growth in unfamiliar circumstances, and their ability to make compromises to accommodate foreign perspectives. Perlmutter (1969) has identified among international executives three primary orientations towards building multinational enterprises: ethnocentric (home country oriented), polycentric (host country oriented), or geocentric (world oriented). The second organizational factor that influences standardization of marketing is the headquarters-subsidiary relationship. In any organization conflicts may arise between parent corporation and

overseas subsidiaries because of their different points of view (Nowakoski, 1982). If the conflict is excessive it is likely to discourage program transfer.

The final organizational factor that influences the standardization of marketing strategy is the extent to which decision making authority is delegated to foreign subsidiaries. Marketing is a polycentric function that is deeply effected by local factors. Primary authority for international marketing decisions therefore is decentralized in favor of host country managers. Alymer (1970) found that local managers were responsible for 86% of advertising decisions, 74% of pricing decisions, and 61% of channel decisions, but the product design decisions were made primarily by the parent organization.

The ability of the firms to pursue global standardization may hinge on their international business philosophies and organizational structures. A firm that is organized in a multidomestic fashion is less likely to plan for and implement a standardized strategy. In contrast, global firms as well as those with a market extension philosophy are better positioned to use global standardization, because the former can concurrently implement planing or product modifications laterally in their global operations through various divisions, where as the latter can centrally coordinate and implement the necessary modifications. In fact everything else being the same, market extension firms can implement global standardization and modifications more quickly than the others (Samiee and Roth, 1992).

The managerial decision making characteristics signifies the belief system of an organization (Roth 1992). Roth searches for if an alignment between global strategy types and belief systems results in higher levels of organizational performance. Managerial characteristics are a critical source of competitive advantage, because such characteristics may create a differential or unique capability to implement a particular strategy (Roth, 1992).

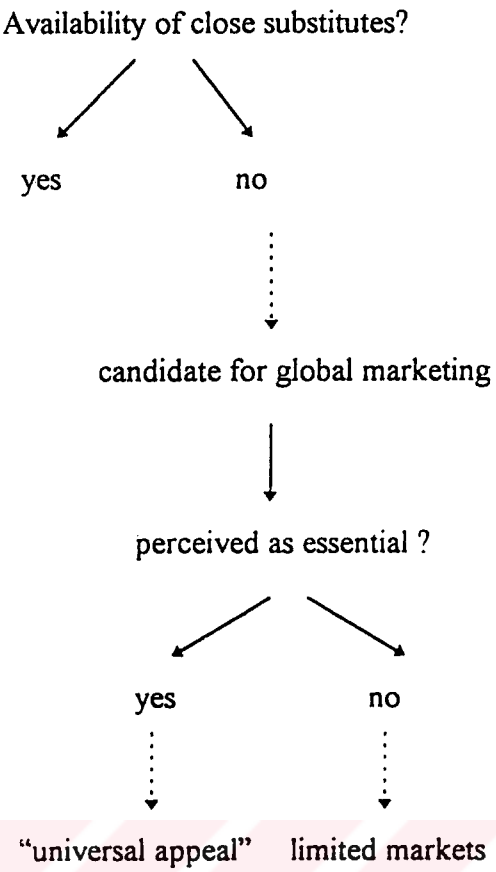

Figure 4 : Framework for Identifying Candidates for Global Marketing (Huszagh, Fox, and Day, 1986, p.42)

Figure 4 provides a conceptual framework for identifying potential product candidates for a global marketing approach (Huszagh, Fox and Day, 1986). Some products clearly do not lend themselves to a global marketing approach. According to Huszagh, Fox, and Day products that lend themselves to standardization must be perceived as essential and they don't have close substitutes. This means Huszagh, Fox, and Day believes that competition is a negative factor for standardization.

Applying global marketing concept and making it work flexibly is essential. Managers need to tailor the approach they use to each element of the business system and marketing program. For example, a manufacturer might market the same product under different brand names in different countries or market the same brands using different product formulas (Quelch and Hoff, 1986).

For most products the appropriate degree of standardization varies from one element of the marketing mix to another. Strategic elements like product positioning are more easily standardized than execution sensitive elements like sales promotion. In addition when headquarters believes it has identified a superior marketing idea, whether it be a package design, a brand name, or an advertising copy concept, the pressure to standardize increases (Quelch and Hoff, 1986).

When moving toward global, headquarters should build rather than jeopardize relationships, stimulate rather than demoralize local managers. The answer is to focus on means as much as ends, to examine the relationship between the home office and the field, and to ask what level of headquarters intervention for each business function, product, marketing mix element, and country is necessary to close the gap in each. Headquarters can intervene at five points ranging from informing to direction. For headquarters to direct, it must also persuade, coordinate, and approve (Quelch and Hoff, 1986).

Roth (1992) concludes that even a very modest level of international involvement was accompanied by differences in business-level strategy. Within global industries, international context necessitates different strategic positioning to maintain the organization-environment alignment. A review of business-level strategy literature indicates little agreement about the role the international context plays in determining the competitive approaches of business. Strategy research has always been based on the assumption that business determine competitive approach irrespective of the international context. In contrast, internationally oriented researchers assume that the competitive approaches of international businesses are unique and distinct from domestic businesses.

The product policy area is pointed as the one where the propensity of firms toward international standardization is great. From a strategic perspective, the physical standardization of the product is of critical importance (Walters and Toyne, 1989).

Normally marketing is considered as an operating rather than a planing function and primary authority for marketing decisions is decentralized to local management in each country.

2.4. ADVANTAGES AND DISADVANTAGES OF STANDARDIZATION

An industry is global if there is some competitive advantage to integrating activities on a worldwide basis. A firm may possess two types of competitive advantage: low relative cost or differentiation (Porter, 1986).

If a company forces costs and prices down and pushes quality and reliability up -while leaving reasonable concern for suitability - customers will prefer its worldwide standardized products. The strategy of standardization not only responds to worldwide homogenized markets but also expands those markets with aggressive low pricing. The global companies will offer everyone simultaneously high quality, more or less standardized products at optimally low prices, thereby achieving expanded markets and high profits. "Companies that do not adopt to the new global realities will become victims of those that do" (Levitt, 1983).

Standardizing products can lower operating costs (Quelch and Hoff, 1986). The decision on standardization should be based on the economic payoff, which includes financial performance, competitive advantage, and other aspects. Concern for financial performance, in the context of standardization, has been expressed for a long time (Buzzell 1968, Keegan 1969). In recent years Hout, Porter and Rudden (1982), Rutenberg (1982), Levitt (1983), and Henzler and Rall (1986) have emphasized the scale effects that transcend national boundaries and provide cost advantage to companies selling to the world market. Although concern for financial performance implications has been commonly expressed, few researchers have supported their viewpoint with hard data (Jain, 1989).

Even more important, effective coordination can exploit a company's best product and marketing ideas. Marketing can usually contribute to scale economies most

significantly by creating a standard product design that will sell worldwide, permitting savings through globalized production. Standard commercial executions and copy concepts help to achieve scale economies. McCann-Erickson claims to have saved $90 million in production costs over twenty years by producing worldwide Coca-Cola commercials (Quelch and Hoff, 1986).

Samiee and Roth (1992) examine empirically the relationship between global standardization and financial performance of business units within the global industry context. Because of the lack of prior research on this topic, an exploratory approach is taken to develop a more comprehensive understanding and explanation of the role and impact of global standardization.

The basic premise of Samiee and Roth (1992) study is that firms operating in global industries are better positioned to pursue global standardization within global industries. Industry structure forces transcend national boundaries, thereby creating similar markets across countries. Not all firms competing in such industries perceive their industries as being global or use a standardized approach. However, the findings do not support certain views about global standardization expressed in many conceptual studies. In particular the critical issue of superior performance through global standardization, which follows the theoretical underpinning of market segmentation, is not supported. The absence of significant differences between the performance levels of the firms emphasizing standardization and firms that do not stress standardization is likely to be an indication that intermarket segments have not been properly defined and identified by firms using standardization. If this is true, the findings do not necessarily reflect the inappropriateness of global standardization, but rather its fragmentary and incomplete implementation (Samiee and Roth, 1992).

Though global standardization does take place, it is not necessarily an optimal approach in all markets, neither it is evident that it is taking place for all of the products of the firm, nor necessarily to the same extent across all of the elements of the marketing mix.

If management is not careful, moving too far, too fast toward global marketing can trigger painful consequences. First, subsidiary managers who joined the company because of its apparent commitment to local autonomy and adapting its products to local environment may become disenchanted. When poorly implemented, global marketing can make the local country manager's job less strategic. Second, disenchantment may reinforce attitudes that lead to game playing. Eventually, the good managers may leave and less competent people who lack the initiative of their predecessors may replace them. On the other hand, when local managers tightly control marketing efforts, multinational managers face three critical issues: inconsistent brand identities - the opportunities that multinational status gives can not be leveraged, limited product focus, and slow new product launches (Quelch and Hoff, 1986).

The development of factories designed to allow for economic and rapid product modification will also be very important. Future factories will decrease the attractiveness of standardization. Nevertheless, it still seems that localizing product policy will be expensive and that product modification will remain an important means for achieving economical production, rapid product development and diffusion, and other competitive advantages in international markets (Walters and Toyne, 1989).

Researchers generally deal with quantifiable marketing and economic factors of standardization, which can supply only enough information to provide a very qualified 'standardize' or 'do not standardize' decision. If the decision is do not standardize then there is nothing to do, but if the decision is 'standardize', problems originating from the lack of information concerning cultural and psychological factors may provide to be fatal (Britt, 1974).

Cost leadership and differentiation are two strategies for competing in domestic and overseas markets. As described by Porter (1986) in Figure 5, the work performed by firms can be classified into five primary and four support groups which as a whole comprise the value chain. The primary activities are those concerned with the actual production and marketing of the product, and comprise inbound logistics, outbound

logistics, marketing and sales, and service. Support activities provide the framework which maintains the primary operations. The main action of the support network are procurement, R&D, human resources, and organizational management. The value chain provides a useful framework for evaluating the potential competitive advantages to be realized by greater uniformity of international product programs (Walters and Toyne, 1989).

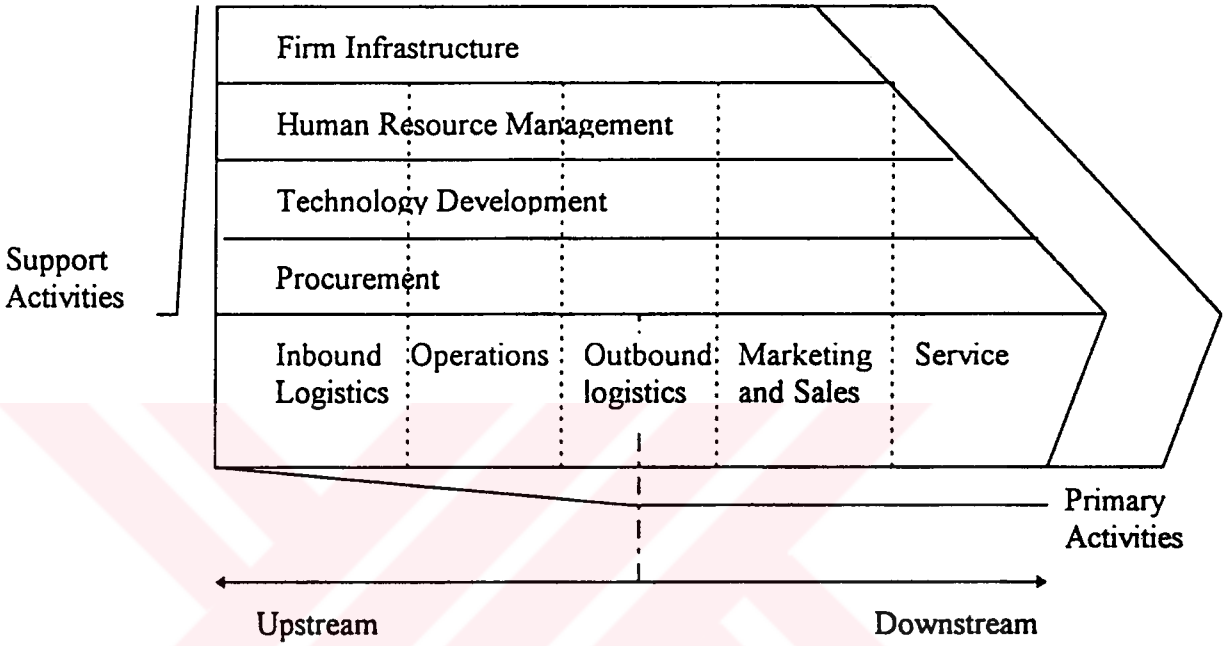

Figure 5 : Value Chain by Porter (1986)

The generic group of activities are classified into two basic types, called primary activities, which are those involved in the physical creation of the product or service, its delivery and marketing to the buyer, and its after sales support, and support activities which provide inputs or infrastructure that allow the primary activities to continue.

A firm that competes internationally must decide how to spread the activities in the value chain among countries. A distinction arises between the downstream, upstream and support activities. Downstream activities, those more related to the customers, is located to the place where the customer is. Upstream and support activities,

conversely, can at least conceptually be decoupled from where the customer is located.

Downstream activities create competitive advantages that are largely country specific. In industries where downstream activities or buyer-tied activities are vital to competitive advantage, there tends to be a more multidomestic pattern of international competition. In industries where upstream and support activities (such as technology development) are crucial to competitive advantage, global competition is more common (Porter, 1986).

Configuration of a firm's activities is where in world each activity is performed, including in how many places. Coordination, refers to how similar activities performed in different countries are coordinated with each other. Figure 6 lists some of the configuration and coordination issues for several important categories of activities.

Activity	Configuration Issues	Coordination Issues
Operations	• Location of production facilities for components and end products	• Networking of international plants • Transferring process technology and production know-how among plants
Marketing and Sales	• Product line selection • Country (market) selection	• Commonality of brand name worldwide • Coordination of sales to multinational accounts • Similarity of channels and product positioning worldwide • Coordination of pricing in different countries
Service	• Location of service organization	• Similarity of service standards and procedures worldwide
Technology Development	• Number and location of R&D centers	• Interchange among dispersed R&D centers • Developing products responsive to market needs in many countries • Sequence of product introductions around the world
Procurement	• Location of the purchasing function	• Managing suppliers located in different countries • Transferring market knowledge • Coordinating purchases of common items

Figure 6 : Configuration and Coordination Issues by Category of Activity by Porter (1986)

Figure 7 is a way of summarizing these basic choices in international strategy on a single diagram. The firm has to make a set of choices for each activity. As we move from the lower left-hand corner of the diagram up or to the right, we have strategies that are increasingly global.

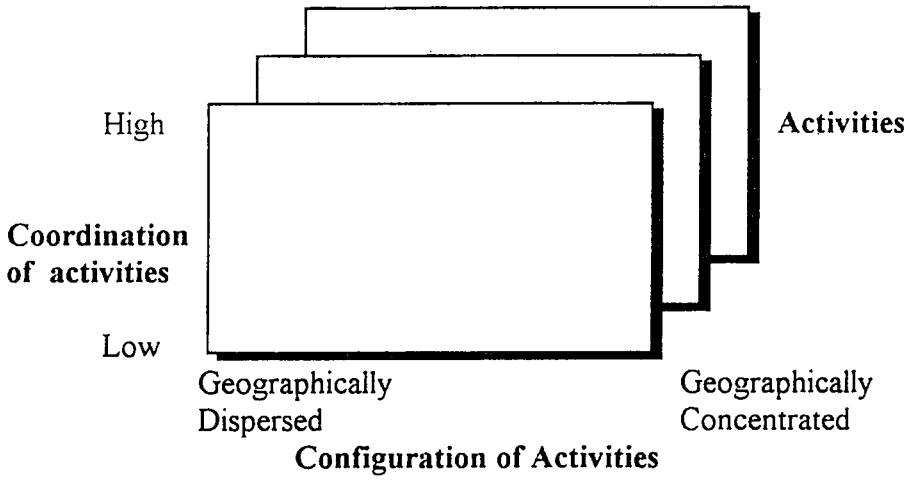

Figure 7 : Dimensions of International Strategy by Porter (1986)

A firm faces different degrees of configuration and coordination. Configuration options range from concentrated to dispersed, where coordination options range from low to very high. Some possible variations of international strategy is shown in Figure 8.

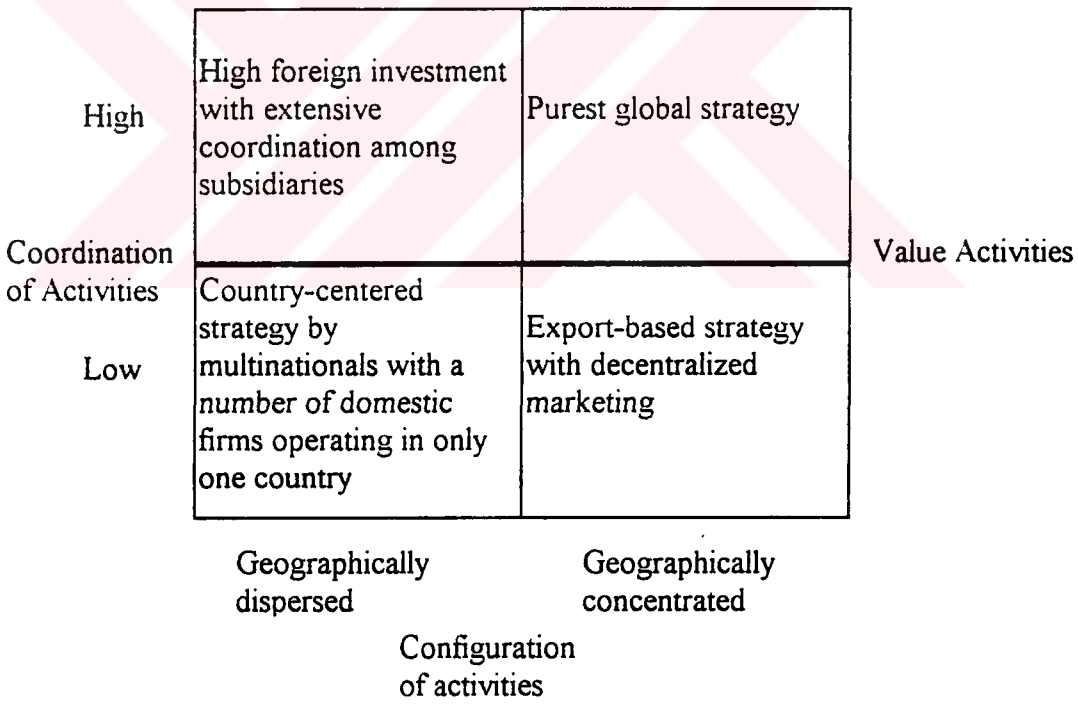

Figure 8 : International Strategy Types by Porter (1986)

Figure 7 and 8 make it clear that there is no such thing as one global strategy. There are many global strategies, depending on a firm's choices about configuration and

coordination of activities (Porter, 1986). Figure 8 shows some of the possible variations in international strategy. The purest global strategy is to manage the countries from a home country and coordinate the activities that must be near the customer tightly.

Understanding the competitive advantages of a global strategy and, in turn, the causes of the industry globalization requires specifying the conditions in which concentrating globally and coordinating dispersed activities leads to either cost advantage or differentiation.

The factors that favor concentrating an activity in one or a few locations to serve the world markets are :

- Economies of scale in the activity.
- A proprietary learning curve in the activity.
- Comparative advantage in where the activity is performed.
- Coordination advantage of co-locating linked activities such as R&D and production.

When benefits of configuring and/or coordinating globally exceed the cost, an industry will globalize in a way that reflects the net benefit by value activity. In activities important to cost and differentiation in the industry, there are compelling net advantages to concentrating most activities and coordinating the dispersed activities extensively.

The extend and location of advantages from a global strategy vary among industries. In some industries the competitive advantage from a global strategy comes in technology development. In other industries a firm can not succeed without concentrating production to achieve economies of scale, but instead it gives subsidiaries much local autonomy in sales and marketing. In some industries there is not net advantage to global strategy and country centered strategies dominate - the industry is multidomestic.

Some companies allow local managers to adapt marketing mix elements that are not subject to significant scale economies, in order to motivate local managers. On the other hand, most of the local managers are ready to accept a standard concept for marketing mix elements that are less important. Overall, then the driving factor in moving toward global marketing should be the efficient worldwide use of good marketing ideas rather than scale economies from standardization (Quelch and Hoff, 1986).

The autonomy of local managers varied greatly among the various marketing decisions. These patterns are influenced by the forces within the firm, particularly by the relative importance of its international operations and by each local affiliate's positions. The problem of locating authority for marketing decisions in the multinational firm is quite complex. Various marketing decisions, and forces at work within the firm are factors that effect location of authority (Alymer, 1970).

Some products clearly do not lend themselves to a global marketing approach. The potential for standardizing some or all of the marketing mix elements is a function of the product category and the particular group of market involved. Traditional product characteristics do not adequately explain product acceptance. While product categories are perceived as more nondurable, sensory, and personal have more potential for global marketing, there are many exceptions to this rule. Substitutability, enhanced by essentialness may be meaningful for identifying potential global product candidates (Huszagh, Fox, and Day, 1986).

As summarized in the literature review, there exists many factors that are claimed to be important when going standardized. Every researcher have suggested a factor that is important for standardization of business units. Some advantages and disadvantages are mentioned for standardization. However, there are only a few researches empirically stating the pros and cons of standardization. The conceptual and empirical studies seem to reach different conclusions about standardization.

The primary element that encourages standardization of international marketing strategies is the associated cost savings as stated in the literature. However, the theoretical arguments and the realities of the marketplace significantly weaken the appropriateness and applicability of global standardization. Though, the many economies associated with global standardization are intuitively sound, they are aimed at lowering costs, which is not the same as increasing profitability.

This research is aimed to find out the differences between business units emphasizing standardization and those that do not emphasize standardization. The main focus is to investigate whether standardization leads to any increase in financial performance of a business unit.

3. RESEARCH DESIGN AND METHODOLOGY

3.1. THEORETICAL CONSIDERATIONS

From a theoretical perspective, the central consideration in pursuing global standardization involves market definition and market segmentation. In particular market segmentation is a necessary and critical component of the marketing plan. Microeconomics theory of price discrimination shows that market segmentation groups customers into homogeneous subsets that enable the firm to cultivate particular market niches in which fewer or no competitors exist. The price discrimination model's goal is profit maximization (Samiee, and Roth, 1992).

The competitive advantage resulting from market segmentation can be significant. First, a firm may remain as a monopolist in its selected market segment(s), which enables it to price its products with relative freedom from its competitors. All things being equal, freedom in pricing leads to higher profit margins, and therefore better business unit performance. Second, by focusing on individual target markets a firm may anticipate and react to market changes more efficiently and effectively, which leads to higher level of customer loyalty. However, the implementation of effective market segmentation program is too difficult (Samiee, and Roth, 1992).

From a conceptual point of view, validation of global standardization requires a reexamination of the marketing management process (Onkvisit, and Shaw, 1987). Developing separate marketing plans for various segments is a critical consideration. Consequently, for standardization of international marketing activities to be successful, the firm must show the presence of intermarket segments in countries earmarked for standardization. The concept of **intermarket segments** is defined as the presence of well-defined and similar clusters of customers across national boundaries that have the same characteristics and are identified by similar criteria. This concept is central to Levitt's (1983) position on globalization which other authors have supported (Douglas, and Wind, 1987; Jain, 1989; Kale, and Sudharshan, 1987; Onkvisit, and Shaw, 1987; Sheth, 1986; Simmonds, 1985). If this

position is valid and practical, applying the segmentation concept internationally should enable the firm to standardize its programs and offerings and, by definition, achieve a higher level of economic performance.

3.2. HYPOTHESES

The subject of standardizing international marketing has been studied for nearly three decades. The majority of the studies on global standardization concept is conceptual (Jain, 1989). Furthermore, most empirical studies have addressed relatively narrow aspects of international marketing standardization, such as advertising (e.g. Green and Cunningham, 1975; Peebles, Ryans and Vernon, 1977, 1978), adaptation to local tastes in less developed countries (e.g. Hill and Still, 1984). In this study we try to extend the literature through an examination of the relationship between global standardization and technology, components of marketing plan, key corporate policies and strategies, competitive attributes, managerial decision making characteristics, and performance.

3.2.1. Standardization and Technological Change

The relationship between global standardization and technological changes has not been examined in the literature except by the research of Samiee and Roth (1992). The global standardization decision is internal to the firm whereas the technological changes are external forces. The rate of intraindustry technology change and the speed of adaptation of competitors to technological changes influence the global standardization decision. Boddewyn, Soehl and Picard (1986) reported that competition is perceived as the most important obstacle in standardizing the marketing mix.

Samiee and Roth (1992) examined three scenarios involving technology and standardization. First, the industries marked with a rapid change in technology are considered (e.g., electronic devices, computer software), in which the life cycle must be less than 12 months. At least from manufacturing and communications

perspectives, firms in such industries have less time to plan adequately and implement a standardized global strategy in numerous affiliates. Hence global standardization is possible if manufacturing processes are globally concentrated to very few facilities (Porter 1986).

In the second scenario, firms operating in technologically stable industries are considered. Despite the many advantages of standardization for such firms, when firms supply their products around the world they have the ability to focus on the particular characteristics of local markets. In addition, when technology is stable competitors manufacture products which are much or less the same. In this case firms may gain from customizing their products for local markets. Therefore stable technology can lead to high customization.

Finally, a related development that enhances the feasibility of adaptation to local needs is technological advancements in design and manufacturing. New technologies offer a cost-efficient basis for customizing products for various market segments. This strategy is analogous to pattern standardization as suggested by Peebles, Ryans and Vernon (1978) and Colvin, Heeler and Thorpe (1980).

The introduction of technology to markets is also likely to vary according to their needs; state of the art products may be marketed in some countries while older generation products based on older technology can be marketed in others. Thus, several products of different technologies can be marketed to different markets, depending on their needs and the ability to utilize them. This situation is consistent with the international product life cycle (PLC) theory (Vernon and Wells, 1968). Based on these considerations, we hyphotesized that:

H1 : Global standardization increases as technology change rate increases.

Another consideration for firms is the product obsolescence rate. Technological change does not necessarily lead to product obsolescence, products that are based on different technologies and have different life spans can be marketed in the same time. The technological change may lead to more advanced versions of products without

replacing the older versions (e.g. no-frost refrigerators and refrigerators). Shorter periods of obsolescence are expected to lead to global standardization.

H2 : Global standardization is emphasized more as technology obsolescence rate increases.

The intensity of competition has been cited as an obstacle to global standardization (Boddewyn, Soehl and Picard 1986). The frequency of major changes in products done by competitors encourages the competition to follow suit. Thus, global standardization is more feasible when competitors modify their products frequently (Samiee and Roth, 1992).

H3 : Global standardization is emphasized more when major changes in all or parts of the products offered are initiated frequently by major competitors.

3.2.2. Standardization and Product Life Cycle

The stage of a product in its life cycle may also influence the firms to pursue global standardization. Business units with products in the introductory and growth stages of their life cycles face more frequent changes and refinement of their products than those offering products in the maturity and decline stages. Uniformity in policies, processes, and programs are more likely when products are in the early stages of their life cycle.

During the maturity stage of the PLC, product awareness and purchase rate are high and the market size has peaked. The number of competitors are also high compared to other stages. In addition technological changes are fewer, leading to greater focus on market segmentation and product differentiation (Kotler, 1986). Indeed during this stage firms seek to enlarge the market size by finding new areas that the product can be utilized. Thus, newer version of the product is offered to narrower market segments. It is also likely that multinational firms have to compete with local firms, which emphasize customization, during this stage. Furthermore, because the product

is widely known and adopted during this stage global firms can customize the products without much change on their cost structure.

H4 : Firms that produce and market products in the early stages of the PLC (i.e.; introduction and growth) are more likely candidates for global standardization than firms that produce and market products in the maturity and decline stages.

3.2.3. Standardization and Marketing Plan

Early studies for standardization has begun with examination of the advertising component of marketing plan and come to the point of full standardization or standardizing partly. If partial standardization is considered, then the question is which components of the marketing plan should be standardized, and to what extent (Buzzell 1968). Some researchers claim that market differences all around the world is minimized with advancements in communication and technology. Some still believe that full standardization is an utopia.

Although all of these studies shed light on the status of standardization, the degree of emphasis put on various components of marketing program by firms using global standardization in comparison to other firms has not been examined. Given the contradictory findings in the standardization literature, it is reasonable to expect that the emphasis on the marketing plan elements are to be different between the firms emphasizing global standardization and the others.

H5 : Firms emphasizing global standardization view the importance of components of a marketing plan differently from firms that do not pursue standardization.

3.2.4. Standardization and Corporate Policies and Strategies

The relationship between the key corporate policies and strategies and global standardization has largely been ignored in the literature. Environmental constraints to standardization such as governmental standards (e.g. what is or is not allowed as a product), trade regulations, differences in availability, and costs of resources (Buzzell 1968), and the differences in competitive climate of markets influence key policies

pursued by firms. Firm level obstacles to standardization is also important for standardization. Even within global industries, firms that have maintained a traditional multidomestic (foreign affiliates are relatively autonomous in their decision making) structure are less likely to adopt a standardized program. If the local managers who have been given autonomy in decision making decides to standardize their programs, this would be a better approach to standardization. Also the presence of numerous products and brands for the local markets can be an obstacle for efficient standardization. The new products can be good, but the introduction of new brands can cannibalize the current brands (Douglas and Wind 1987).

The decision to adopt a global standardization strategy affects some key policy areas. Marketing activities are not independent from other developments in the firm which are often controlled elsewhere in the organization. Certain firm level policies and activities have important implications for global standardization. Specific policy and strategy factors suggested in the literature include cooperative arrangements and alignments, worldwide vertical and horizontal integration of operations, more control over manufacturing stages, long term contracts with manufacturers and suppliers, international marketing agreements, developing external international information networks, formal international R&D agreements, and seeking government assistance in penetrating foreign markets (Morrison and Roth, 1989). Emphasis on these elements might be different for firms stressing standardization.

H6 : Firms emphasizing global standardization view the importance of key marketing policies and business unit strategies differently from firms that do not pursue standardization.

3.2.5. Standardization and Competitive Attributes

The role that strategy plays in aligning a business unit with its environment has received considerable attention in the literature (Ginsberg and Venkatraman, 1985; Hambrick, 1983). This coalignment has been represented as a hierarchical relationship involving two levels of strategy and environment (Bourgeois, 1980). First, strategy consists of domain selection, which is associated with the

organization's general environment. At its broadest level the organization's general environment is bounded by country parameters. Beyond, domain selection, the second level of coalignment is the match between the competitive positioning component of the business's strategy and the business's task environment (Bourgeois, 1980). Task environment is defined by customers, suppliers, competitors, and regulatory agencies and represent external contingencies to which the business unit must respond (Pfeffer and Salancık, 1978). Given limited resources, top management must decide the relative emphasis placed on alternative competitive attributes that align the organization with this task environment (Bourgeois, 1980).

Two implications of international firms classification should be noted. First, at the extreme, a "pure" global firm would have minimal or no country differences as the company structure is defined worldwide. Therefore, a firm in this category would respond to competition in the same context that it would do in other countries. The second implication concerns the multidomestic firms. In this context, Porter (1986) suggests that businesses have a choice as to whether they will be domestic or international. He further asserts that competing internationally in this context would collapse to a series of domestic strategies.

As a business competes in an international context, variance in the task environments across country locations will necessitate different dimensions of strategic positioning. The strategic position will be evidenced through the competitive attributes emphasized by businesses. Therefore, we expect that there will be a difference between the firms emphasizing global standardization and firms that do not pursue global standardization in terms of competitive attributes stressed.

H7 : The competitive attributes emphasized by businesses operating through global standardization are different from that of businesses that do not stress standardization.

3.2.6. Standardization and Managerial Decision Making

Three decision making characteristics of top level management are considered in the study of (Roth, 1992): willingness to take risks, openness in decision making,

consensus in decision making. These three decision making variables were selected based on the substantive theoretical base linking each to the alternate international strategy types and because each relates to the uncertainty, resource requirements, and interdependencies that are associated with the strategy types. A consistency between these decision making characteristics and global standardization type is expected. The desirability of consistency within an international strategy and decision making characteristics system is supported by three theoretical arguments. First, a need apparently exist to match managers with specific characteristics to job requirements (Lawler, 1974), as congruence between job requirements and individual characteristics often leads to a higher level of performance (Griffin, 1980). Similarly, different strategies implies different job requirements. Thus superior performance might be achieved through developing managerial competencies, including decision making characteristics, that are congruent with the specific requirements of a particular strategy type.

Second, complex decisions are partially a result of non-rational factors (Finkelstein and Hambrick, 1990). Reduced rationality allows increased levels of error to enter the decision process and, therefore, strategic choices will in part reflect the idiosyncrasies of decision makers (Hambrick and Mason, 1985). Thus, the cognitive base of top level management, partially reflected through their belief systems, becomes linked with strategic choices.

Third, managerial decision making characteristics may also contribute directly to an organization's competitive advantage. Barney (1986) argues that the organization's culture - its values, beliefs, assumptions, and symbols - defines how an organization conducts its business. To support competitive advantage, the belief systems of an organization must not be common to other organizations and they must promote, within the organization, a capability to perform functional activities in a manner that increases the value-added of the firm. Thus, to the extent that an organization holds a core set of managerial values and they are valuable, unique, and non-imitable, they will have positive economic consequences.

In the literature, the differences in terms of managerial characteristics between the firms emphasizing global standardization and the firms that do not is not investigated. We expect that there has to be a difference in two groups of firms.

H8 : The managers of firms emphasizing global standardization have different managerial characteristics from managers of firms that do not pursue global standardization.

H9 : Managers of firms emphasizing global standardization take risks less than do managers of firms that do not pursue standardization.

H10 : Managers of firms emphasizing global standardization have openness in decision making than do managers of firms that do not pursue standardization.

H11 : Managers of firms emphasizing global standardization have more consensus in decision making than do managers of firms that do not pursue standardization.

3.2.7. Standardization and Financial Performance

The primary element that encourages standardization of marketing across markets is the associated cost savings. These savings include the economies of scale in research and development (Terpstra, 1987), purchasing (Douglas and Wind, 1987), production (Douglas and Wind, 1987), and marketing (Green, Cunningham and Cunningham, 1975; Terpstra, 1987), the possibility of rationalizing international production, and operating via exports (Terpstra, 1987). Also, implicit in many economies and advantages favoring a standardized program is easier implementation and management of a single program. In addition, standardization affords more control on marketing programs (Green, Cunningham and Cunningham, 1975; Walters, 1986).

In the literature conceptual and case studies have made frequent mention of cost savings associated with standardization. Hout, Porter and Rudden (1982), for example, point to superior effectiveness, cost savings, timing, and financial

dimensions as benefits associated with standardization strategies. Though a strong case can be made for placing emphasis on reduced costs and competitive prices due to standardization (Levitt, 1983), lower costs are not the primary objectives of firms; their primary objective is to increase profitability. Lower costs lead to high profits only under the assumption of relatively fixed global, industry wide prices.

The theoretical arguments and the realities of the marketplace significantly weaken the appropriateness and applicability of global standardization. There is no empirical evidence in the literature that firms actually seek and identify intermarket segments. Though the many economies associated with global standardization are intuitively sound, they are aimed at lowering costs, which is not the same as increasing profitability. Because of the overwhelming number of environmental, organizational, planning, implementation, and other obstacles that firms must overcome in their pursuit of global strategy, lowering costs would be difficult to make financially sound.

H12 : Financial performance of firms emphasizing global standardization is not different from that of firms that do not.

Each characteristic of managerial decision making is associated with a global strategy type (Donaldson and Lorsch, 1983). Also, the decision making systems associated with the strategy type chosen determines the organizational performance levels (Hambrick and Mason, 1984). This article states that a strategy / decision making system exists. A multidomestic strategy inherently has risk. Risk taking can be reduced through quality decision making systems. Openness in organization facilitates idea exchange and information flow, where consensus decision making facilitates effective use of the information gathered. Thus, the managerial decision making characteristics and international strategy influence performance outcomes (Roth, 1992).

H13 : A fit between international strategy; risk taking, openness, and consensus decision making will be positively associated with business unit performance.

3.3. STATISTICAL TESTS FOR EACH HYPOTHESIS

The statistical tests used for testing the stated hypothesis are listed below in Table 3.1.

Hypothesis Number	Statistical Test
1	Pearson Correlation
2	Pearson Correlation
3	Pearson Correlation
4	Analysis of Variance
5	T-test Groups
6	T-test Groups
7	T-test Groups
8	T-test Groups
9	T-test Groups
10	T-test Groups
11	T-test Groups
12	T-test Groups
13	Pearson Correlation

Table 3.2: *Statistical tests used to test hypothesis*

3.4. SAMPLE

A field survey was conducted to investigate the standardization practices among firms. Initially the objective was to investigate both the consumer and industrial goods sectors and detect the differences in the globalization strategies of these two groups. Due to the familiarity of the author with the computer industry, this product group was chosen as the focus of analysis in the case of industrial goods sector. However, number of foreign firms, that match our selection criteria, investing in Turkey is quite low. Therefore, sample turns to include primarily firms from consumer goods sector.

The basic view is that international firms are better positioned to pursue global standardization. International companies try to create similar markets across countries, and in this structure they have to remain competitive and cost efficient. We would expect that one or more of the economies offered by standardization is to be adopted. In turn, standardization should lead to a relative positive influence on the performance of business units. However, not all firms competing internationally use a standardization approach. Therefore, international firms can be classified as those with policies emphasizing standardization and others that place less emphasis on standardization. Given this dichotomy, we would expect the former group to have adopted a series of marketing policies and strategies conducive to global standardization. Marketing policies and strategies of firms that are less standardized, in contrast would be expected to be less uniform and generally adapted to local marketing conditions. If differences can not be shown between the two groups, adopting a standardization strategy may be more a function of management orientation and preference than of environmental and corporate conditions.

The firms for the sample is selected from YASED lists as the firms which have parent companies from different countries. The selection criteria was that the firms should be in one of the sectors of food and beverage, health care, and computer and should have a percentage of foreign capital not less than 30%. Some of the firms selected have more than one business unit; i.e., Unilever.

The firms selected from the YASED lists are shown in Table 3.2.

Company	# of BUs	# of BUs answered	Industry	Country of Origin	Share of Foreign Capital
EPG Sanipak	4	3	Health care and cleaning	Italy	50%
Ruby Rose Cosmetics	1	-	Health care and cleaning	Lebanon	99.8%
Glaxo Health care products	1	1	Health care and cleaning	UK	100%
Başer Chemical	3	2	Health care and cleaning	USA	45%
Colgate Palmolive-Hacı Şakir	3	3	Health care and cleaning	USA	67%
Johnson and Johnson	1	1	Health care and cleaning	USA	100%
Turkimya	1	-	Health care and cleaning	Germany	99.96%
Dow Turkey	1	-	Health care and cleaning	Global	60%
Lever	5	3	Health care and cleaning	Netherlands	100%
Mireks Food	1	-	Food and Beverage	Austria	33%
Ülker Food	2	-	Food and Beverage	Bahrain	30%
Dan Cake Food	1	1	Food and Beverage	Denmark	60%
Peyma-chr Hansen's Cheese	1	-	Food and Beverage	Denmark	50%
Usaş Airline Service	1	-	Food and Beverage	Denmark	70%
Done Frozen Food	1	-	Food and Beverage	France	34%
Menetral Food	1	-	Food and Beverage	France	90%
Capo Foods	1	-	Food and Beverage	Germany	51%
Meysu	1	1	Food and Beverage	Germany	52%
Piyale Dr. Oetker Food	1	1	Food and Beverage	Germany	49%
Tuborg Beer	1	-	Food and Beverage	Global	39.34%
Unilever	16	7	Food and Beverage	Netherlands	100%
Nestle	1	-	Food and Beverage	Switzerland	95%
Marsa Kraft - Sabancı General Foods	4	2	Food and Beverage	USA	50%
Uzay Food	1	1	Food and Beverage	USA	100%
Digital	2	2	Computer	USA	100%
Microsoft	1	-	Computer	USA	100%
Koç-UNISYS	2	-	Computer	USA	50%
AT&T	2	1	Computer	USA	100%
Siemens Nixdorf	2	-	Computer	USA	100%

Table 3.3 : List of Companies in the Sample

There were seventy-six companies in food and beverage sector in the YASED lists at the time of this research. There were thirteen in health care and cleaning products sector, and only six in the computer sector. First, phone numbers of these firms are taken from the post office. Second, the ones which can be reached by phone is called and someone related to our research is identified. After these steps the interviewees names and addresses are taken to mail a questionnaire. Only twenty-nine companies listed in Table 3.2 agreed to cooperate. Each questionnaire is sent to a different business unit within the companies.

3.5. QUESTIONNAIRE

The questionnaire, a copy of which is presented in Appendix A, is designed in two separate stages. During the first stage, a detailed survey of literature was conducted. The study is intended to find out and validate the dimensions of global standardization policy. This stage led to the development of a series of items relating to global standardization.

The questionnaire was pretested at interviews held with three executives who further assessed its content as well its clarity and comprehensives.

Dunn (1976), and Onkvisit and Shaw (1987) have cautioned against blind acceptance of executive viewpoint. As Dunn points out, "Some marketing executives do not really know what is and what is not being transferred across boundaries." (p.53). It is therefore likely that the practice of global standardization is to some extent a matter of respondent perception.

After the pretests, the questionnaire was sent to the managers of business units by mail and the answers were received by fax. Sixty-three questionnaires were sent to different business units which accept to cooperate with the research, and only twenty-nine of them were sent it back. The questionnaire is collected in two callbacks. First, only the questionnaire and a letter that explains the purpose of the study is sent to the respondents. Only eleven respondents sent back the questionnaire in this step.

Second, the questionnaire is sent again to the ones who did not respond, and by telephone calls they are asked to answer the questionnaire. With this follow-up, fifteen questionnaires were received reaching to the sample size of twenty-nine with the ones collected during pretest. So we have an answer rate of 46%.

3.6 OPERATIONALIZATION OF VARIABLES

Global standardization was operationalized by using an index comprising of six items. The measure was designed to infer the firm's orientation toward global standardization through structural analysis of the firm's position in the industry. Essentially, this analysis maps the sample into strategic groups, each of which consists of firms following similar strategies (Porter, 1980; Samiee and Roth, 1992; Roth, 1992). The measurement method was selected for three reasons. First, global standardization is a popularized notion and often considered desirable. Thus acquiescence bias toward reporting a globalized approach might occur if respondents were queried directly about their firms' level of standardization. Second, the measure is consistent with the need to identify the intermarket segment in which the firm competes rather than attempting to identify the alternate approaches used by firms in their global standardization efforts (Samiee and Roth, 1992).Third, the use of this approach has empirical support (e.g. Cool and Schendel, 1988; Mascarenhas, 1989).

The global standardization items corresponding to Question number 1 in the questionnaire are listed below (Samiee and Roth, 1992, p.1; Roth, 1992, p.769; Roth and Morrison, 1992, p.473):

- Customer needs are standardized worldwide
- Product awareness and information exists worldwide
- Standardized product technology exists worldwide
- Competitors market a standardized product worldwide
- Standardized purchasing practices exists worldwide
- Competitors exist that have a presence in all key markets

Standardized customer needs, which is the starting point for standardized marketing programs is essential, global product awareness and information must exist worldwide to market standardized products all-round the world. Competitive forces can determine the degree to which standardization is pursued (Porter, 1896; Quelch and Hoff, 1986; Roth 1992).

Variables are measured on 7-point scale where 1 = "Not at all characteristic", and 7 = "Highly characteristic".

Coefficient alpha was used to test the reliability of the global standardization index. The resultant coefficient (.8236) is indicative of measurement reliability. The index of standardization then was used to divide the responding firms in two groups. Given that the measures ranges from 6 to 42, a mean score of 24 ((42+6) / 2) is intended to be selected as the dividing point, but the mean for global standardization index is 30.276, so 30 is selected as dividing point for two groups. All firms scoring above 30 were classified as seeking "high standardization", and others as pursuing "low standardization".

To measure the classification validity, the basic characteristics of two groups were compared. The degree of standardization is not related significantly to such factors as number of employees (r = .0755, p = .714), number of managers (r = .1244, p=.554), number of years of business unit is internationalized (r = .1906, p = .341), number of foreign affiliates (r = .1757, p = .362). There is a significant relation between emphasis on standardization and number of years the business unit is operating (r = .5379, p = .004), as the number of years worked increases the firms become more standardized. Also there is a significant relation between emphasis on standardization and percentage of foreign capital (r = -0.3966, p=.041), as the percentage of foreign capital increases emphasis on standardization decreases. We think that this correlation is not so important, and do not show that our indexing method has no classification validity.

Technological change variable is considered on three dimensions, and these are shown below (Samiee and Roth, 1992, p.1):

- Rate of Technology Change Within the Industry: Measured on 7-point scale where 1="very fast", and 7=" very slow" (corresponds to Question 4 of the questionnaire).
- Product and Production Technology Obsolescence Rate: Measured on 5-point scale where 1="greater than 10 years", 2="between 5 and 10 years", 3="between 2.5 and 5 years", 4="between 1 and 2.5 years", 5="less than 1 year" (corresponds to Question 5 of the questionnaire).
- Rate of Product Modification Instigated By Competitors: Measured on 5-point scale where 1="seasonally", 2="periodically(in intervals less than 1 year)" 3="annually", 4="periodically(intervals longer than 1 year)", 5="no regular periodic patterns of change" (corresponds to Question 6 of the questionnaire).

Product life cycle (PLC) affect is measured by using the working definitions of various stages. The introductory, growth, maturity, decline stages' definitions are taken from Kotler (1995) are included in the questionnaire, only after the pretest of the questionnaire the definition of the maturity stage is changed, but still in accordance with Kotler's definition. The definitions used, corresponding to Question 7 of the questionnaire, are shown below (Kotler, 1995):

- Introductory stage : Slow sales growth as the product is introduced to the market. There exists no profits, because of the heavy expenses of product introduction.
- Growth stage : A substantial profit improvement, and a rapid market acceptance has occurred.
- Maturity stage : Sales growth still exists but it slows down. Profits stabilize or decline, because of increased marketing outlays and / or low prices to defend the product against competition.
- Decline stage : Sales show a strong downward drift and profits erode.

Marketing plan components are variables previously identified as being critical dimensions to the strategy of internationally oriented businesses (Morrison and Roth, 1989). The marketing plan measures were taken from previous studies examining business strategy (Dess and Davis, 1984; Samiee and Roth, 1992).

The items, corresponding to Question 2 of the questionnaire, are shown in Table 3.3 :

Product Related Components	Emphasize new product development
	Emphasize product quality
	Offer a broad number of products
	Develop unique product features
Promotion Related Components	Emphasize advertising and promotion
	Build brand awareness
	Build reputation in industry
	Develop a highly skilled salesforce
Pricing Related Components	Produce high priced products for market niches
	Price at or below competitive price levels
	Price leadership in industry
Customer Service and Distribution Related Components	Emphasize customer service and service quality
	Influence and/or control channels of distribution
	Serve a wide variety of customers
	Operate in a wide range of geographic markets
Sourcing and Production Related Components	Emphasize low cost per unit
	Emphasize high capacity utilization
Market Intelligence and Tactical Planning	Monitor market opportunities on an ongoing basis
	Develop innovative marketing techniques

Table 3.4: Marketing Plan Components

All variables are measured on 7-point scales, where 1="Not at all important", and 7="Extremely important".

Global Marketing Policies and Business Unit Strategies are variables previously identified as being critical dimensions to the strategy of internationally oriented businesses (Morrison and Roth, 1989). The dimensions, corresponding to Question 3 of the questionnaire, are shown in Table 3.4.

Secure government assistance for penetrating foreign markets
Develop external international information networks
Formalize international marketing agreements with outside firms
Secure long-term contractual agreements with international distributors and suppliers
International control of manufacturing cycle from raw materials to distribution of finished products
Formal international R&D/technology agreements with outside firms
Horizontal integration of operations worldwide
Vertical integration of operations worldwide

Table 3.5: Global Marketing Policy Dimensions

Variables are measured on 7-point scale, where 1 = "Not at all important" ,and 7 = "Extremely important".

Competitive attributes are selected from those strategic items that capture the essence of most business units. In the literature, Miller (1987) states that four basic strategy dimensions are consistently covered. Miller asserts that business level strategy is based on the relative importance placed on each strategy dimension. In turn, each dimension is determined by a business's emphasis on a set of competitive attributes specific to that dimension. These dimensions and related competitive attributes are shown in the Table 3.5 (Roth and Morrison, 1992, p. 473).

Strategic Dimensions	Description	Representative Competitive Attributes	Supporting Research
Complex Innovation	The degree to which the business introduces major new products or services	Product Innovation	Hambrick, 1983
		Process Innovation	Miles and Snow, 1978
		Engineering and R&D Innovation	Miller and Friesen, 1984
		Develop unique products	Porter, 1980
Marketing Differentiation	The creation of customer loyalty by uniquely meeting a particular need	Control Distribution	Hay and Ginter, 1979
		Aggressive, innovative marketing	Miller and Friesen, 1984
		Customer Service	Porter, 1980
		Advertising and promotion	
Breadth	The scope of market that the business serves	Variety of customers / geographical markets	Rumelt, 1974
		Wide number of products	Porter, 1980
Conservative Cost Control	The extent to which the firm achieves a cost leadership position	Control Overhead	Hambrick, 1983
		Emphasize low cost per unit	Henderson, 1979
		Efficient manufacturing	Miles and Snow, 1978
		High capacity utilization	Porter, 1980
		Low pricing	

Table 3.6 : Dimensions of Competition from Roth (1992)

The variables indicated are measured on 7-point Likert type scale, where 1="Not at all important", and 7="Extremely important".

The variables are measured using the Question 2 of the questionnaire.

Three **managerial decision making characteristics** were measured with an instrument derived from research on top management decision making (Donaldson and Lorsch, 1983; Gordon and Cummins, 1979) and adapted from similar measures used by previous researchers (Hofstede, 1976). Each characteristic was measured with four items. Using a 7-point scale, each item was designed to elicit executives' perceptions of the extent to which the item characterized the management of activities within the business unit. 1="Not at all shared", and 7="Extremely shared". The managerial decision making characteristics are asked in Question 8 of the questionnaire.

Risk Taking	Innovative rather than conservative decision making
	Taking chances on good ideas
	Holding managers accountable for end results
	Clear performance measures, characterize beliefs in BU.
Openness in Decision Making	Share information and communicate with other subunits
	Maintain / develop relationships with managers in other departments
	Make efforts to understand other manager's problems
	Create , maintain effective communication and cooperation with peers
Consensus Decision Making	Autonomy in decision making is given to managers
	Individual initiative and achievement is emphasized
	Consensus in decision making
	Policies / practices that promote a sense of duty and loyalty to the business

Table 3.7 : Managerial Decision Making Characteristics

Performance issue is complex, therefore three indicators were selected in an attempt to be more comprehensive : return on assets (ROA), return on investments (ROI), and sales growth. To eliminate short term fluctuations we take figures of ROA, ROI,

and sales growth on a three year basis. Self reported objective and relative intraindustry performance measures were used.

The performance objective for the next year was reported by respondents, on 7-point scales where 1="greater than 25%", 2="20% to 25%", 3="15% to 20%", 4="10% to 15%", 5="5% to 10%", 6="0% to 5%", 7="negative return or drop". These figure correspond to Question 9 of the questionnaire.

However such accounting based measures of performance are potentially biased because of the limited time horizon of such measures, variance in the level of data aggregation across organizations, and departures from the actual purpose of such measures (Hill 1986).

The fundamental benefit or intent of global standardization is relative competitive positioning. Relative intraindustry measures therefore, were also considered as critical indicators of business unit performance(Dess and Davis, 1984). They are asked for the last three years. Actualized ROI, ROA, and sales growth were measured on 5-point scales where 1="lowest 20%", 2="lower middle 20%", 3="middle 20%", 4="upper middle 20%", 5="top 20%" within the industry.

One additional performance measure was used in our study which is business units' exports to total sales ratio for the latest fiscal year. Since most of the business units did not have any exports this measure became irrelevant after data is collected.

4. RESULTS

The findings of this research are presented in six sections. All of the sections present both the frequency analyses and the statistical test results of standardization and technological environment, product life cycle, marketing plan and competitive attributes, business unit strategies, managerial decision making characteristics, and performance.

4.1. TECHNOLOGICAL ENVIRONMENT

Technological environment of firms is important to discriminate a high standardized and low standardized firms. Standardization is an internal decision for firms, whereas technology is an external force. In our sample there are three groups of industries; food and beverages, health care and cleaning products, and computers. The distribution of industries are shown in Table 4.1.

Industry	Number	%
Food and Beverage	13	45
Health care and Cleaning Products	13	45
Computer	3	10
Total	29	100

Table 4.1 : Industry Distribution of Sample

The research was intended to have equal number of firms from industrial(computer) and consumer (food and beverage, health care and cleaning) markets. Unfortunately number of industrial good firms that are suitable for the study purpose was so small, so it was not possible to make analysis comparing industrial and consumer markets standardization for this research.

According to the conditions mentioned it is expected that our sample will contain a technology level of neither very fast, nor very slow. The results support this idea that 69% of firms reported a normal rate of technology change (Table 4.2).

Rate of Change	Computer	Food and Beverages	Health care and Cleaning	Overall Sample
	% (n)	% (n)	% (n)	% (n)
Very Fast	100 (3)	7.7 (1)	23.1 (3)	24.1 (7)
Normal	0 (0)	84.6 (11)	69.2 (9)	69 (20)
Very Slow	0 (0)	7.7 (1)	7.7 (1)	6.9 (2)

Table 4.2 : Rate of Technology Change by Industry

Also a medium rate of product and production technology obsolescence is expected, that is between 2.5 and 5 years. The data is distributed as shown in Table 4.3.

Obsolescence Rate	Computer	Food and Beverages	Health care and Cleaning Products	Overall Sample
	% (n)	% (n)	% (n)	% (n)
Greater than 10 years	0 (0)	9.1 (1)	7.7 (1)	7.4 (2)
Between 5 and 10 years	0 (0)	27.3 (3)	30.8 (4)	25.9 (7)
Between 2.5 and 5 years	0 (0)	27.3 (3)	38.5 (5)	29.6 (8)
Between 1 and 2.5 years	0 (0)	36.4 (4)	15.4 (2)	22.2 (6)
Less than 1 year	100 (3)	0 (0)	7.7 (1)	14.8 (4)

Table 4.3 : Obsolescence Rate by Industry

The results for competitors product modification patterns are shown in Table 4.4.

Patterns	Computer	Food and Beverages	Health care and Cleaning Products	Overall Sample
	% (n)	% (n)	% (n)	% (n)
Seasonally	0 (0)	0 (0)	0 (0)	0 (0)
Periodically (in intervals less than 1 year)	33.3 (1)	23.1 (3)	23.1 (3)	24.1 (7)
Annually	0 (0)	7.7 (1)	7.7 (1)	6.9 (2)
Periodically (intervals longer than 1 year)	0 (0)	15.4 (2)	38.5 (5)	24.1 (7)
No regular periodic patterns of change	66.7 (2)	53.8 (7)	30.8 (4)	44.8 (13)

Table 4.4 : Technology Change Patterns by Industry

From the figures we see that generally competitors do not follow a periodic pattern of product modification. From this information we can deduce that business units in the sample also do not have periodic patterns of change.

Hypothesis on technological environment and global standardization are tested by Pearson correlation analysis.

H1 : Global standardization increases as technology change rate increases.

H2 : Global standardization is emphasized more as technology obsolescence rate increases.

H3 : Global standardization is emphasized more when major changes in all or parts of the products offered are initiated frequently by major competitors.

Results for H1 through H3 (i.e. technological environment and corporate response issues) are reported in Table 4.5.

	Pearson R	p <
Rate of technology change within the industry [a]	-.1329	.492
Product and production technology obsolescence rate [b]	-0.751	.710
Rate of product modification instigated by competitors [c]	-.0557	.774

[a] Measured on 7-point scale where 1 = very fast, 7 = very slow

[b] Measured on 5-point scale where 1 = greater than 10 years, 2 = between 5 and 10 years, 3 = between 2.5 and 5 years, 4 = between 1 and 2.5 years, 5 = less than 1 year.

[c] Measured on a 5-point scale where 1 = seasonally, 2 = periodically,(but intervals less than 1 year), 3 = annually, 4 = periodically (but intervals greater than 1 year), 5 = no regular periodic patterns of change.

Table 4.5 : Technological Environment and Competitive Response

The relationship between global standardization and the rate of intraindustry technological change (H1) is negatively correlated. As technology change speed increases emphasis on standardization increases, too. However, the hypothesis is rejected due to insignificant value of correlation coefficient.

H2 explores the technological obsolescence rate for firms. Obsolescence rate is negatively correlated with emphasis on standardization. As standardization increases obsolescence rate decreases, which is a contradiction to hypothesis (H2). The hypothesis is rejected.

Instigation of major changes in products manufactured by competitors (H3) also has a negative correlation with standardization. As the major modifications in products of competitors takes place in shorter periods, emphasis on standardization increases. However, the hypothesis is not supported by the pearson correlation test, it is insignificant with a probability of ($p < .774$).

The data does not support any of the hypothesis on technology component. Technology, contrary to what we claimed does not seem to be tightly related to emphasis on global standardization.

In this step it is noteworthy to find out the relations between these three technological variables. The Pearson correlation figures are shown in Table 4.6.

	Pearson R	p <
Rate of technology change within the industry and product and production technology obsolescence rate	-.5979	**.001***
Rate of technology change within the industry and rate of product modification instigated by competitors	-.725	.709
Product and production technology obsolescence rate and rate of product modification instigated by competitors	.1402	.486

Table 4.6 : Correlations between technology variables

As expected there is a significant negative correlation between the rate of technology change and product obsolescence rate. As obsolescence rate decreases, technological change rate increases.

4.2. PRODUCT LIFE CYCLE

The stage of product in its life cycle also may influence a firm's decision to pursue global standardization. The firm with products in the early stages of their life cycle (introduction and growth) faces with faster technology updates and refinement of products than the ones in the maturity and decline stages. As the previous hypothesis on technology variable suggests faster updates forces firms for a highly standardized marketing program. On the other hand, the firms in maturity and decline stages faces with more competition which Boddewyn, Soehl, and Picard (1986) states as an obstacle to standardization.

H4 : Firms that produce and market products in the early stages of the PLC (i.e.; introduction and growth) are more likely candidates for global standardization than firms that produce and market products in the maturity and decline stages.

As the hypothesis states firms with products in maturity and decline stages are less likely to emphasize global standardization, because they are more subject to competition which is an external force to customize. For the sample as a whole, most of the products (69 %) are in the maturity stage.

It is noteworthy that 65 % of business units in the maturity stage face a normal technology change. Only 10 % of firms with products in the maturity stage face a relatively fast technology change. However, the relationship between the PLC and technology is weak ($p < .774$).

Contrary to what we expect, the proportion of business units using global standardization in the introductory and growth stages is less than the proportion of business units that do not use global standardization (23.1 vs. 33.3 %). Also, more firms with emphasis on standardization are in the maturity stage (76..9 %). The trend in the data in all stages of PLC is not supportive of our previous rationalization, the analysis of variance test (one-way) does not show any difference in standardization of firms in different stages, either. The results of the analysis of variance test is shown in Table 4.7. No two groups are significantly different at .05 level.

	Product Life Cycle Stages Means				**F Ratio**	**F Prob.**
	Introduction	Development	Maturity	Decline		
Standard. Score	5.6667	4.8333	4.9583	0.0000	.5060	.6090

Table 4.7 : Product Life Cycle and Global Standardization

4.3. COMPONENTS OF MARKETING PLAN AND COMPETITIVE ATTRIBUTES

To retain their competitive edge firms using global standardization were expected to view the importance levels of marketing components differently from other firms. The underlying assumption is that the differences between the markets and consumers are indicated as the obstacle to standardization of marketing activities (Jain, 1989). If intermarket segments can be applied on a global basis, market and consumer differences in different countries will become immaterial. Business units stressing global standardization do not necessarily seek to identify intermarket segments as prescribed in the literature. Rather they are likely to pursue mass markets globally or at least subjectively defined (but not operationalized) intermarket segments (Samiee and Roth, 1992). Hence, their focus on the elements of their marketing plan should differ from that of the group that does not stress standardization. Successful market segmentation, even on a national or regional basis, has certain requirements that can not always be met (i.e., clearly defined segments that are mutually exclusive and exhaustive are not present). Cross nationally meeting these requirements also is more complex and difficult. Indeed, there is no evidence of operationalization of the intermarket concept in the literature. Since most of the competitive attributes are the same with the components of marketing plan, the two hypothesis are tested together.

H5 : Firms emphasizing global standardization view the importance of components of a marketing plan differently from firms that do not pursue standardization.

H7 : The competitive attributes emphasized by businesses operating through global standardization are different from that of businesses that do not stress standardization.

H5, and H7 examines the relationship between market planning variables, competitive attributes and global standardization by using t-test analysis. Importance levels of various components are reported in Table 4.8.

Marketing Plan and Competitive Attribute Variables	Overall Sample Mean	High Mean	Low Mean	t	p <
Build brand awareness	6.655	6.5714	6.7333	.63	.535
Emphasize advertising and promotion	6.643	6.6923	6.6000	-.49	.625
Emphasize product quality	6.552	6.5714	6.533	-.17	.863
Monitor market opportunities on an ongoing basis	6.552	6.6429	6.4667	-.55	.589
Develop highly skilled salesforce	6.483	6.3571	6.6000	.60	.558
Influence and / or control channels of distribution	6.464	6.4286	6.5000	.32	.750
Emphasize low cost per unit	6.357	6.5385	6.2000	-1.09	.284
Develop unique product features	6.207	6.3571	6.0667	-.80	.432
Develop innovative marketing techniques	6.172	6.5000	5.8667	-1.61	.121
Emphasize efficient manufacturing	6.143	6.2308	6.0667	-.45	.654
Emphasize new product development	6.034	6.0000	6.0667	.12	.903
Emphasize high capacity utilization	**6.000**	**6.3846**	**5.6667**	**-2.09**	**.047 ***
Emphasize customer service and service quality	5.821	5.9286	5.7143	-.40	.691
Serve a wide variety of customers	5.519	5.7692	5.2857	-.85	.407
Offer a broad number of products	5.414	5.7857	5.0667	-1.59	.125
Operate in a wide range of geographic markets	5.370	5.5385	5.2143	-.55	.586
Emphasize process innovation	5.214	5.0714	5.3571	.51	.619
Price at or below competitive price levels	5.214	5.4286	5.0000	-.71	.481
Emphasize engineering and R&D innovation	5.207	5.1429	5.2667	.18	.856
Decrease control overhead	5.143	5.3077	5.0000	-.53	.600
Price leadership in the industry	**4.964**	**5.8571**	**4.0714**	**-3.98**	**.001 ***
Build reputation in industry	4.828	5.2143	4.4667	-1.13	.269
Produce high priced products	3.571	3.7692	3.4000	-.57	.576

* Measured on 7-point scales where 1 = not at all important, and 7 = extremely important.

Table 4.8 : Marketing Plan Measures and Global Standardization

As shown in Table 4.8 most of the marketing plan components are important for both groups of firms (the mean values are all over a mean of 3.5 which is (7 / 2) of the scale) except the component to produce high priced products for low standardized firms. Producing high priced products are also the less important component for highly standardized firms. The most important component for highly standardized firms is to emphasize advertising and promotion, and for low standardized firms it is to build brand awareness. This shows that as in the definition of global firms product awareness exist worldwide, but for low standardized firms creating product awareness is very important to become global.

Only two items are significantly different for the two groups of firms. Firms pursuing global standardization place a greater emphasis on price leadership ($p = .001$), and capacity utilization ($p = .047$). Although statistically not significant, firms using global standardization have a greater tendency to offer a broad number of products ($p = .125$), and to develop innovative marketing techniques ($p = .121$).

Though it is apparent that firms emphasizing global standardization are different on some critical elements of their marketing plans whereby they are likely to be benefiting from significant economies, for the great majority of marketing measures examined, they are not significantly different from firms that view their strategy in a different light. Hence, H5 is generally not supported.

When we compare the two groups of firms in terms of categories (see Table 4.9) of marketing plan rather than in terms of items (Table 4.8), the results are as expected that price related ($p < .006$), and sourcing and production related ($p < .086$) components are more important for firms seeking high standardization than for firms that do not stress standardization.

Marketing Plan Categories	Overall Sample Mean	High Mean	Low Mean	t	p <
Product Related Components	6.052	6.1786	5.9333	-.89	.384
Promotion Related Components	6.179	6.2692	6.1000	-.77	.446
Pricing Related Components	**4.531**	**5.0000**	**4.0952**	**-3.00**	**.006 ***
Customer Service and Distribution Related Components	5.806	5.9423	5.6786	-.75	.461
Sourcing and Production Related Components	**6.179**	**6.4615**	**5.9333**	**-1.79**	**.086 ***
Market Intelligence and Tactical Planning	6.362	6.5714	6.1667	-1.29	.208

Table 4.9: Marketing Plan Categories

Only one item is significantly different for the two groups of firms in terms of competitive attributes. Firms pursuing global standardization place a greater emphasis on capacity utilization (p = .047). H7 is generally not supported.

When we compare the two groups of firms in terms of strategic dimensions (see Table 4.10) of competition rather than in terms of items (Table 4.8), the results show that there is no significant difference between firms emphasizing standardization and those that do not stress on standardization.

Strategic Dimensions	Overall Sample Mean	High Mean	Low Mean	t	p <
Marketing Differentiation	6.324	6.4423	6.2143	-1.06	.297
Conservative Cost Control	5.778	5.9538	5.6143	-1.19	.247
Complex Innovation	5.670	5.6429	5.6964	.13	.895
Breadth	5.420	5.6923	5.1667	-1.20	.243

Table 4.10 : Competition and Global Standardization

4.4. GLOBAL MARKETING POLICIES AND BUSINESS UNIT STRATEGIES

Since, the global marketing philosophy of business units that stress standardization is different from that of others that place less emphasis on standardization, we expected the former to give importance to different policies than other respondents to retain a competitive edge (Samiee and Roth, 1992). For example, because the business units that place less emphasis on standardization serve markets and customers that tend to be unique, they would have a higher propensity to develop external global information networks, and secure governmental assistance for penetrating foreign markets. We do not suggest that the more standardized firms do not need market information; rather, the standardized nature of their operations reduces the frequency and the need for the types of detailed data demanded by firms that view the industry as fragmented and nonstandardized (i.e., a low level of standardization requires closer monitoring of more segments and products). Vertical and horizontal integration and long term contractual agreements with suppliers and distributors are expected to be more characteristic of firms emphasizing global standardization.

H6 : Firms emphasizing global standardization view the importance of key marketing policies and business unit strategies differently from firms that do not pursue standardization.

H6 addresses marketing policy and strategy components that influence the international competitive position of firms. Importance levels of marketing policy and strategy components are reported in Table 4.11.

Marketing Policy and Strategy Areas	Overall Sample Mean	High Mean	Low Mean	t	p <
Develop external international information networks	5.414	5.2857	5.5333	.45	.657
International control of manufacturing cycle from raw materials to distribution of finished products	4.172	3.7143	4.6000	1.24	.227
Horizontal integration of operations worldwide	4.034	3.9286	4.1333	.27	.790
Vertical integration of operations worldwide	3.690	3.9286	3.4667	-.65	.518
Secure long-term contractual agreements with international distributors and suppliers	3.074	2.7692	3.3571	.87	.393
Formalize international marketing agreements with outside firms	3.000	3.1538	2.8571	-.45	.659
Formal international R&D / technology agreements with outside firms	3.000	2.7857	3.2143	.53	.600
Secure government assistance in penetrating foreign markets	2.111	1.9231	2.2857	.55	.585

* Measured on 7-point scale where 1 = not at all important, and 7 = extremely important.

Table 4.11 : Business Unit Strategies and Marketing Policy Measures

As shown in Table 4.11 differences in mean importance of eight policy and strategy measures are not very large. The two groups of business units do not differ significantly on any of the components of marketing policy and strategy; therefore H6 is not supported.

4.5. MANAGERIAL DECISION MAKING CHARACTERISTICS

The belief systems of an organization are exemplified partly through managerial decision making. These belief systems are flexible and alterable, and the role of top management is to reshape and redirect the belief systems in a manner that supports strategic choices (Donaldson and Lorsch, 1983). A global strategy approach needs different managerial decision making systems in risk taking, openness and consensus strategies (Roth, 1992). Managers of firms that do emphasize standardization are expected to have consensus decision making , and openness characteristics more than the managers of firms that do not emphasize standardization.

H8 : The managers of firms emphasizing global standardization have different managerial characteristics from managers of firms that do not pursue global standardization.

H8 addresses the managerial characteristics that influence the international competitive position of firms. The results are shown in Table 4.12.

Managerial Characteristics	Overall Sample Mean	High Mean	Low Mean	t	p <
Taking chances on good ideas [1]	**5.862**	**5.5714**	**6.1333**	**1.77**	**.091 ***
Maintain / develop relationships with managers in other departments[2]	5.379	5.2857	5.4667	.38	.707
Innovative rather than conservative decision making [1]	5.379	5.0714	5.6667	1.45	.158
Autonomy in decision making is given to managers [3]	5.321	5.0769	5.5333	.95	.356
Share information and communicate with other subunits [2]	5.276	5.0714	5.4667	.85	.402
Holding managers accountable for end results (rather than means) [1]	5.241	5.3571	5.1333	-.41	.684
Clear performance measures, characterize beliefs within the business unit [1]	5.241	5.3571	5.1333	-.32	.751
Individual initiative and achievement is emphasized [3]	5.207	4.9286	5.4667	1.23	.231
Policies / practices that promote a sense of duty and loyalty to the business [3]	5.172	5.1429	5.2000	.13	.901
Create / maintain effective communication and cooperation with peers [2]	4.857	4.7692	4.9333	.32	.752
Consensus in decision making [2]	4.828	4.7143	4.9333	.45	.658
Make efforts to understand other managers problems [2]	4.643	4.5385	4.7333	.44	.663

* Measured on 7-point scale where 1 = not at all shared. and 7 = extremely shared.
[1] Risk taking characteristic
[2] Openness in decision making characteristic
[3] Consensus in decision making characteristic

Table 4.12 : Managerial Decision Making Attributes and Standardization

The only characteristic that shows a difference between managers of two groups is taking chances on good ideas. In the literature it is stated that businesses emphasizing new product activities will face high uncertainty given that the market response to its innovation is unknown (Dess and Davis, 1984). Further, businesses pursuing a global strategy focus on a smaller number of products than multidomestic businesses. Also, multidomestic firms support a high degree of local responsiveness by allowing the business unit to be largely autonomous and by developing capabilities within the

business unit that are necessary to monitor and respond to local market needs (Prahalad and Doz, 1987). The preceding statements suggest that due to greater demands for product innovation, product breadth, and resource dependency, the multidomestic strategy faces greater uncertainty. Our research results support that managers of firms that do not pursue standardization are more likely to take chances on good ideas than highly standardized firms' managers. Although the other characteristics are not significantly different for two groups, the managers of highly standardized firms do not share the characteristics as much as the low standardized firms' managers.

H9 : Managers of firms emphasizing global standardization take risks less than do managers of firms that do not pursue standardization.

H10 : Managers of firms emphasizing global standardization have openness in decision making than do managers of firms that do not pursue standardization.

H11 : Managers of firms emphasizing global standardization have more consensus decision making than do managers of firms that do not pursue standardization.

Each managerial decision making characteristic was measured by four items as shown in operationalization of variables (see p.50). The mean figures of these four items is taken to test hypothesis H9 through H11. There are two reverse scored items in consensus decision making (autonomy in decision making is given to managers, individual initiative and achievement is emphasized) which are reversed when calculating the mean figures. As expected from H8 results, these hypothesis are not significant for our sample.

Table 4.13 shows the results.

Managerial Decision Making Characteristics	Overall Sample Mean	High Mean	Low Mean	t	p
Risk Taking	5.431	5.3393	5.5167	.47	.639
Openness	5.065	4.9583	5.1500	.45	.660
Consensus decision making	3.857	3.9423	3.7833	-.79	.435

Table 4.13 : Managerial Decision Making Characteristics and Global Strategy

4.6. PERFORMANCE

Performance evaluation is a complex issue as it is a multifaceted construct (Bourgeois 1980; Morsicato and Radebaugh 1979). In an attempt to be as comprehensive as possible, Samiee and Roth (1992) used multiple performance indicators and measurement scales. Three indicators of financial performance, return on assets (ROA), return on investment (ROI), and sales growth, are selected.

H12 : Financial performance of firms emphasizing global standardization is not different from that of firms that do not.

H12 pertains the performance issue and is the central consideration in supporting and refuting the adoption of global standardization. Information on the seven performance measures for the two groups of firms is reported in Table 4.14.

Performance Measure	Overall Sample Mean	High Mean	Low Mean	t	p
Objective business unit performance					
Sales growth	5.143	4.3077	5.8667	2.16	.041 *
ROA	4.654	3.6364	5.4000	2.58	.017 *
ROI	4.190	3.3333	4.8333	2.10	.049 *
Relative Intraindustry performance					
Sales growth	4.167	3.8182	4.4615	1.22	.236
ROA	3.360	4.1818	2.7143	-2.66	.014 *
ROI	3.125	4.1000	2.4286	-3.08	.006 *
Actual Latest year performance					
Percentage of international sales	1.739	1.7273	1.7500	.03	.975

* Objective performance was measured on 7-point scale, where 1="greater than 25%", 2="20% to 25%", 3="15% to 20%", 4="10% to 15%", 5="5% to 10%", 6="0% to 5%", 7="negative return or drop" in questionnaire. In the analysis the measures were reversed.

* Relative intraindustry performance is measured on 5-point scale where 1="in lowest 20%", 2="in lower 20%", 3="in middle 20%", 4="in next 20%", 5="in top 20%" of the industry.

* Actual latest year performance is measured as the ratio of total international sales to total sales, but coded as 0=0%, 1="1-5%", 2="6-10%, 3="11-15%", 4="16-20%", 5="21-25%", 6="26-30%".

Table 4.14 : Performance Measures and Global Standardization

When objective increases in performance are considered, firms stressing global standardization have lower ROA, ROI, and sales growth, and the differences between the low standardized and highly standardized firms through these measures are significant.

The cyclicity of many businesses and / or competitive conditions may lead to different performance measures, yet such a showing may be respectable in comparison with the industry level. When relative intraindustry performance measures are considered, business units using standardization have higher ROA and ROI than low standardization group. However, relative intraindustry sales growth for low standardized group is higher than highly standardized group.

The third group of performance variable consists of percentage of international sales to total sales. The means of the two groups are nearly equal. Although this item is

expected to reflect the last year's performance of business units, because most of the international firms in Turkey has no export sales, this measure is based on only 18 firm responses.

When relative intraindustry performance figures over the last three years are considered ROA and ROI of firms emphasizing standardization are better than firms that do not stress standardization. However, sales growth shows that low standard firms are better than others. When objective performance figures for the next year are considered we can see that low standardized firms have higher performance goals than high standardized firms.

The majority of respondents in our study were consumer goods manufacturers and the majority offered products in the maturity stage of PLC. Therefore we examined firm level and industry level performance without regard to the PLC stage or product type.

H13 : A fit between international strategy; risk taking, openness, and consensus decision making will be positively associated with business unit performance.

Examination of H13 was conducted according to the methodology suggested by Van de Van and Drazin (1985). First, all variables were standardized in order to establish a uniform scale. Second, ideal profiles of decision making characteristics and international strategy types were developed. Empirically derived profiles were used because theoretically based profiles fail to recognize that the characteristics may take values other than the endpoints of the scale (Roth, 1992). Venkatraman and Prescott's (1990) approach to deriving the ideal profiles was used. A "calibration sample" of the three best performing business units within each strategy type was developed with the mean of the international strategy index used to classify the businesses by strategy. The means for the decision making characteristics of each group were then computed. The results reported in Table 4.15, may be considered the ideal patterns of design based on the calibration sample. Third, a fit or "distance-effectiveness" index was calculated for each business unit, measured as the Euclidean distance between the business units score and the scores of its ideal profile. Finally,

the relationship between the fit index and business unit performance was assessed. Essentially as the distance measure becomes greater, less of a fit is indicated and, therefore lower performance would be expected. Conversely, as the business unit is closer to its ideal profile, the distance measure will be smaller and higher performance would be expected. Thus a negative correlation between the distance measure is indicative of a consistent fit or design pattern. As suggested by Gresov (1989) and Venkatraman and Prescott (1990), in order to avoid the upward bias that would result from using the same observations in which the ideal profiles were derived to also test the hypothesis, the six high performing firms used to develop the ideal profiles were excluded in this step of analysis.

Managerial Decision Making Characteristics	International Strategy Type	
	High Standardization	Low Standardization
Risk Taking	0.07	-0.27
Openness	-0.14	-0.52
Consensus	0.11	0.19

Table 4.15 : Ideal Profiles of Decision Making Characteristics for International Strategy

The results are reported in Table 4.16.

International Strategy Type	Performance					
	Objective Indicators			Intraindustry Indicators		
	ROA	ROI	Sales growth	ROA	ROI	Sales growth
High Standard	-0.5217	-0.6129	0.3217	-0.7480**	-0.7512*	0.2700
Low Standard	0.0770	-0.2092	0.2639	-0.2483	-0.1917	-0.6297**

* p<0.10 - ** p<0.05

Table 4.16 : Correlations between the ideal decision making characteristics and performance

For the intraindustry ROA and ROI measures, business units that emphasize high standardization showed a negative correlation between the fit index and performance, and this correlation is significant. Although the correlations of low standardized group are negative, these are not significant for the intraindustry ROA and ROI performance measures.

Interestingly for the intraindustry sales growth measures, the group that do not stress standardization showed a significant positive correlation.

As can be seen from the Table 4.16, both for objective and intraindustry measures, ROA and ROI indicators are negatively correlated with the fit index. This shows that as the companies approach to their ideal profiles of managerial skills, ROA and ROI increases.

In terms of performance, there is a significant difference between the firms that emphasize global standardization and the firms that do not stress global standardization. Table 4.17 shows which factors that we've found as significant are correlated with performance measure.

Significant Factors	**Performance**				
	Objective Indicators			**Intraindustry Indicators**	
	ROA	**ROI**	**Sales growth**	**ROA**	**ROI**
Emphasize high capacity utilization	-.0185	-.1729	**-.5044 ****	.1406	.1078
Price leadership in industry	**-.4411 ****	**-.4293 ***	-.2281	.2658	.3038
Taking chances on good ideas	.1425	.0599	**.5135 ****	-.1617	-.1809

* $p<0.10$ - ** $p<0.05$

Table 4.18 : Correlations between all significant factors and performance

As shown in Table 4.17 objective performance measures and other significant factors- emphasizing high capacity utilization, price leadership in industry, and taking chances on good ideas- are significantly correlated. However, none of the significant factors is good enough to explain the intraindustry performance measures. Price leadership in industry is negatively correlated with objective ROA and ROI figures. A business unit emphasizing price leadership more than the other firms do, expects less increase on ROA and ROI.

High capacity utilization leads to less sales as shown in Table 4.17. A business unit that emphasizes high capacity utilization, expects less sales growth than the other firms expect.

Taking chances on good ideas, which is a factor of taking risk, has significantly positive results on objective performance figures. The business units which take chances on good ideas have significant increases in their sales growth. Also, as taking chances on good ideas increases, objective ROA and ROI measures increases.

5. CONCLUSIONS AND IMPLICATIONS

5.1 CONCLUSIONS

We examined the influence of global standardization on technology, PLC, marketing plan components and competitive attributes, marketing policies and business unit strategies, managerial decision making characteristics and mainly performance.

A field survey was conducted to investigate the standardization practices among international companies. YASED lists was used to select companies which have parent companies from different countries. The selection criteria was that the companies should be in one of the sectors of food and beverage, health care, and computer and should have a percentage of foreign capital not less than 30%. Sixty-three questionnaires were sent to the respondents who are the managers of business units, and with two callbacks the sample size reached to twenty-nine, which indicates an answer rate of 46%.

In the literature reviewed the factors that are listed above are claimed to be important on standardization of business units. However, our findings do not support most of the general views about standardization. Here conceptual studies and our empirical study seems to reach different conclusions about standardization.

In fact our conclusions are supported by the conclusions of empirical researches on standardization (Huszagh, Fox and Day, 1986; Samiee and Roth, 1992). Common views about standardization have rarely been supported empirically. As Samiee and Roth (1992) stated these views may be based on a few casual observations. The fact that some companies sell their products in a lot of countries, does not signify that they have adapted a high degree of standardization. Though global standardization takes place, it is not necessarily a good approach in all markets (Huszagh, Fox, and Day, 1986), also it is not evident that it takes place for all of the products of the firm, and it is not necessarily used to the same extent across all of the elements of the marketing mix.

Jain (1989) has proposed that industrial and high technology products are more likely candidates for standardization than consumer products. Consumer preferences across national boundaries are more likely to be idiosyncratic to local cultures, value structures, tastes, economics, and other factors.

Here, although the literature states that consumer goods are less likely candidates for standardization, our data showed that consumer goods are mostly standardized. 93.1% of the firms in our sample stressed standardization (that is the firms' standardization index is above the mean value of 21).

The globalization construct reflects executive opinions and perceptions. We have to expect that because of the key positions of respondents, their responses reflect the strategic choice of their respective business units, and hence, reliable and valid. However what the firms actually do globally can not be observed without taking multiple measures of the same business unit across several markets.

Since our study includes companies of the same sector (consumer goods), there is not a technological difference between the firms that stress global standardization and firms that do not stress standardization. The results show that 69% of the companies in the sample have a normal rate of technology change, whereas product and production technology obsolescence rate shows normal distribution patterns (29.6% of the companies observe an obsolescence rate between 2.5 and 5 years, 25.9% observe an obsolescence rate between 5 and 10 years, and 22.2% observe an obsolescence rate between 1 and 2.5 years). 44.8% of the companies in the sample do not have periodic patterns of product change. Technology, contrary to what we claimed is not tightly related to emphasis on standardization.

Product life cycle, similar to technology, shows different patterns than expected. The proportion of business units emphasizing global standardization in the introductory and growth stages are less than the proportion of business units that do not emphasize global standardization (23.1 vs. 33.3%). Also, more of the business units emphasizing global standardization are in the maturity stage (76.9%). The trend in the data in all stages of product life cycle is not supportive of our rationalization that business units

with international products in the early stages of their PLC (i.e.; introductory and growth) are more likely candidates for global standardization. The analysis shows that no two stages of product life cycle has a significant difference (F probability = .6090).

Most of the marketing plan and competitive attributes are important for both of the business units that emphasize standardization and the ones that do not emphasize standardization. Only producing high priced components is not desirable for both groups of business units.

The greatest benefit of standardization is realized at the functional levels (Samiee, and Roth, 1992). Greater emphasis on capacity utilization by business units implies that standardization may be of greater importance in sourcing and production components (significantly different from business units that do not emphasize standardization p=.047).

The standardized firms appear to favor the price leadership in industry. Firms that emphasize global standardization is more likely to be price leaders in the industry (p=.001). This matches with the argument that the standardization strategy must offer some cost advantages to the firm. Competitive response in global markets is likely to lead to a downward pressure on prices and margins. Therefore establishing low cost per unit is important for both groups of firms. Both groups of firms seem to favor promotion related components, market intelligence and tactical planning, and also channels of distribution. Both groups do not give importance to business strategy and marketing policy components.

When managerial characteristics are taken into account, it seems that firms that do not stress standardization give more importance on all components of decision making than that of firms that emphasize standardization. The most important decision making characteristic for low standardized firms is risk taking. They take chances on good ideas more than the highly standardized group (p=.091).

Although the conclusions we listed till now show that there are no great differences among firms that emphasize standardization and firms that do not stress

standardization, the critical issue of superior performance through global standardization is supported.

When objective increases in ROA, ROI and sales growth are considered the firms that do not stress standardization showed higher performance. Also the intraindustry sales growth figure is better than the sales growth figure of firms that emphasize standardization. However, the intraindustry ROA and ROI figures show that firms that emphasize standardization have better performance than the other group (see Table 4.14).

The results can be explained as the objective performance increases of the low standardized group are higher than the highly standardized group. This can be the result of overestimating performance figures, or really low standardized firms try to reach the ROA and ROI figures of highly standardized firms. When last three years intraindustry figures are considered ROA and ROI of highly standardized firms are significantly better than ROA and ROI figures of low standardized group. However, sales growth of low standardized group is higher than the other group.

When sales are more, how can ROA and ROI figures be lower? This can be explained by the cost structure of firms. As stated in the literature, global firms produce at lower costs which can bring them to better positions, although their sales is not the best of the firms.

Therefore, we can conclude that standardization brings lower costs together which leads firms to price leadership. This guarantees higher profits for firms that emphasize standardization. However, the sales growth figures of firms that do not stress standardization is something that needs more research. When and how firms in both groups will be in equilibrium is a valuable information for business units operating in Turkey and their foreign partners. The factors that create the performance difference for the two groups need more research.

The correlations in Table 4.17 shows that high capacity utilization and price leadership in industry has negative effects on objective performance measures. How

can a firm that uses its capacity fully and produces at optimum prices have worse performance measures? The answers of managers in firms that do not emphasize standardization can be biased for objective performance measures, or we can think that they overestimate these measures. We asked the objective performance measures in terms of estimated percent increase. Therefore, more percent increase in objective performance measures do not show that the firms that do not emphasize standardization will take a better place in the industry.

Table 5.1 summarizes the significant differences between highly standardized and low standardized business units.

Significant Differences	Overall Sample Mean	High Mean	Low Mean
Sourcing and Production Related Marketing Plan and Competitive Components [1]			
Emphasize high capacity utilization	6.000	6.3846	5.6667
Pricing Related Marketing Plan Components [1]			
Price leadership in industry	4.964	5.8571	4.0714
Risk Taking Characteristics in Management Decision Making [1]			
Taking chances on good ideas	5.862	5.5714	6.1333
Objective business unit performance [2]			
Sales growth	5.143	4.3077	5.8667
ROA	4.654	3.6364	5.4000
ROI	4.190	3.3333	4.8333
Relative Intraindustry performance [3]			
ROA	3.360	4.1818	2.7143
ROI	3.125	4.1000	2.4286

[1] Measured on 7-point scale where 1=not at all important, 7=extremely important.

[2] Measured on 7-point scale, where 1="greater than 25%", 2="20% to 25%", 3="15% to 20%", 4="10% to 15%", 5="5% to 10%", 6="0% to 5%", 7="negative return or drop" in questionnaire. In the analysis the measures were reversed.

[3] Measured on 5-point scale where 1="in lowest 20%", 2="in lower 20%", 3="in middle 20%", 4="in next 20%", 5="in top 20%" of the industry.

Table 5.1 : Summary of Significant Differences

5.2. IMPLICATIONS

This research is conducted to find out the differences -in technological environment, product life cycle, marketing plan, coporate policies, competitive attributes, managerial decision-making characteristics, and financial performance -between the highly standardized and low standardized international firms with subsidiaries in Turkey. Standardization issues raised are attributable to the worldwide operations of companies. In a study that aims to find out the differences between the two groups of business units, the views of headquarter executives are also important. Due to geographical and time constraints, the study could not achieve this. The extend of standardization practices of subsidiaries in Turkey are not the focus of this study.

In Turkey, there exists a big demand for foreign products. International companies standardize most of the marketing components, because such a demand makes standardization feasible. Also, standardization decreases the operational costs, so cost savings can lead to price leadership in the sector. All of these factors seems to bring performance advantages to business units emphasizing standardization. However, the demand for international products can decrease, as the number of international companies increases.

Turkey has entered into Customs Union with European Economic Community which will create a more competitive and dynamic environment for the international business units. The companies can no longer sell lesser versions of advanced products in Turkey. The number of international companies will rise which will make the standardization task a more critical management task. The performance can decrease because of the high competition between international firms.

Capacity utilization is very important for highly standardized firms. Managers of highly standardized firms make their investments by taking care of the estimated sales volume, which decreases costs and results in a price advantage. Highly standardized firms' managers use their resources more efficiently than less standardized firms' managers. Less standardized firms' managers are more risk

seeking that they try all new ideas that seem to be innovative. This results in a non-stable sales volume, and low capacity utilization, which brings firms cost disadvantages.

Less standardized firms have less intraindustry performance, and they take chances on good ideas. If the ideas are really good, they expect to have percent increases in their performance measures. Therefore, less standardized firms' objective performance measures show greater level of increase than highly standardized firms' performance measures.

This results shows that highly standardized firms have a more stable sales and cost structure, so their financial performance are better than less standardized firms' performance.

This research finds out that there are very few different factors between highly standardized and less standardized business units. However, the performance levels significantly differ between the two groups of business units. New researchers should find what other factors are really different between the two groups.

This study is conducted for consumer goods sector specifically. In the future new researches can be based on other sectors which are truly global; such as high technology products.

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APPENDIX A - QUESTIONNAIRE IN ENGLISH AND IN TURKISH

The proceeding questionnaire is prepared for a master thesis on the topic of **"The Influence of Global Marketing Standardization on Performance."** for Department of Management of Boğaziçi University. We would like you to fill out the questionnaire in your earliest convenience and send it to the fax number of Fulya Özparlak Arman given below. Your answers will be treated in strict confidence.

Thank you in advance.

Prof. Muzaffer Bodur
Department of Management Boğaziçi University
Tel : (212) 263 15 00

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Business Unit is a division that can operate stand alone from the rest of the company, has its own competitors, and has a manager who is responsible for strategic planning and profit performance. For example: Unilever is a company that has ice cream, butter, detergent, and etc. business units.
Please answer the questions considering only your business unit.

1 . Considering only the sector of the industry in which your business unit competes, please indicate how characteristic each of the following statements are in describing your industry position.

	Not at all characteristic						Highly characteris
Customer / buyer needs are standardized worldwide	1	2	3	4	5	6	7
Product awareness and information exists worldwide	1	2	3	4	5	6	7
Standardized product technology exists worldwide	1	2	3	4	5	6	7
Standardized purchasing practices exist worldwide	1	2	3	4	5	6	7
Competitors exist that have a presence in all key markets	1	2	3	4	5	6	7
Competitors market a standardized product worldwide	1	2	3	4	5	6	7

2 . Indicate how important each item is to the current strategy of your business unit, and write the most important 6 items by indicating their corresponding numbers.

	Not at all important						Extremely important
Product Related Components							
1. Emphasize new product development	1	2	3	4	5	6	7
2. Emphasize process innovation	1	2	3	4	5	6	7
3. Emphasize engineering and R&D innovation	1	2	3	4	5	6	7
4. Emphasize product quality	1	2	3	4	5	6	7
5. Offer a broad number of products	1	2	3	4	5	6	7
6. Develop unique product features	1	2	3	4	5	6	7
Promotion Related Components							
7. Emphasize advertising and promotion	1	2	3	4	5	6	7
8. Build brand awareness	1	2	3	4	5	6	7
9. Build reputation in industry	1	2	3	4	5	6	7
10. Develop highly skilled salesforce	1	2	3	4	5	6	7
Pricing Related Components							
11. Produce high priced products	1	2	3	4	5	6	7
12. Price at or below competitive price levels	1	2	3	4	5	6	7
13. Price leadership in the industry	1	2	3	4	5	6	7
Customer Service and Distribution							
14. Emphasize customer service and service quality	1	2	3	4	5	6	7
15. Influence and /or control channels of distribution	1	2	3	4	5	6	7
16. Serve a wide variety of customers	1	2	3	4	5	6	7
17. Operate in a wide range of geographic markets	1	2	3	4	5	6	7
Sourcing and Production							
18. Emphasize low cost per unit	1	2	3	4	5	6	7
19. Emphasize high capacity utilization	1	2	3	4	5	6	7
20. Decrease control overhead	1	2	3	4	5	6	7
21. Emphasize efficient manufacturing	1	2	3	4	5	6	7
Market Intelligence and Tactical Planning							
22. Monitor market opportunities on an ongoing basis	1	2	3	4	5	6	7
23. Develop innovative marketing techniques	1	2	3	4	5	6	7
The most important 6 items :							

3. Indicate how important each item to the current strategy of your business unit.

	Not at all important						Extremely important
Secure government assistance in penetrating foreign markets	1	2	3	4	5	6	7
Develop external international information networks	1	2	3	4	5	6	7
Formalize international marketing agreements with outside firms	1	2	3	4	5	6	7
Secure long-term contractual agreements with international distributors and suppliers	1	2	3	4	5	6	7
International control of manufacturing cycle from raw materials to distribution of finished products	1	2	3	4	5	6	7
Formal international R&D / technology agreements with outside firms	1	2	3	4	5	6	7
Horizontal integration of operations worldwide	1	2	3	4	5	6	7
Vertical integration of operations worldwide	1	2	3	4	5	6	7

4 . Indicate the technology change speed of the sector your business unit is operating in, where 1 = 'very fast', 7 = "very slow'.

1	2	3	4	5	6	7

5 . Indicate the obsolescence rate of your business unit's product and production technology, where 1 = "greater than 10 years", 2 = "between 5 and 10 years", 3 = "between 2.5 and 5 years", 4 = "between 1 and 2.5 years", 5 = "less than 1 year".

1	2	3	4	5

6 . Indicate the rate of product modification instigated by competitors, where 1 = "seasonally", 2 = "periodically (but at intervals less than 1 year)", 3 = "annually (e.g., annual model changes)", 4 = "periodically (but at intervals longer than 1 year)", 5 = "no regular periodic patterns of change".

1	2	3	4	5

7 . Indicate which of the following definitions best describe the position of your business unit's products.

- ☐ Slow sales growth as the product is introduced to the market. There exists no profits, because of the heavy expenses of product introduction.
- ☐ A substantial profit improvement, and a rapid market acceptance has occurred.
- ☐ Sales growth still exists but it slows down. Profits stabilize or decline, because of increased marketing outlays and / or low prices to defend the product against competition.
- ☐ Sales show a strong downward drift and profits erode.

8 . This question is asked about the degree to which beliefs are commonly shared by managers within your business unit. Focusing on the managers of functional activities of your business unit, indicate the extent to which these managers share these beliefs.

	Not at all shared						Shared extremely
1. Innovative rather than conservative decision making	1	2	3	4	5	6	7
2. Taking chances on good ideas	1	2	3	4	5	6	7
3. Holding managers accountable for end results (rather than means)	1	2	3	4	5	6	7
4. Clear performance measures, characterize beliefs within their business unit	1	2	3	4	5	6	7
5. Share information and communicate with other subunits	1	2	3	4	5	6	7
6. Maintain / develop relationships with managers in other departments	1	2	3	4	5	6	7
7. Make efforts to understand other manager's problems	1	2	3	4	5	6	7
8. Create / maintain effective communication and cooperation with peers	1	2	3	4	5	6	7
9. Autonomy in decision making is given to managers	1	2	3	4	5	6	7
10. Individual initiative and achievement is emphasized	1	2	3	4	5	6	7
11. Consensus in decision making	1	2	3	4	5	6	7
12. Policies / practices that promote a sense of duty and loyalty to the business	1	2	3	4	5	6	7
By writing the corresponding numbers, indicate the first three beliefs stated above that are most shared between your business unit's managers							

9 . Indicate your objective increase in your business unit's performance, where 1 = "greater than 25%", 2 = "20% to 25%", 3 = "15% to 20%", 4 = "10% to 15%", 5 = "5% to 10%", 6 = "0% to 5%", 7 = "negative return or drop".

ROA (Return on assets)	1	2	3	4	5	6	7
ROI (Return on investment)	1	2	3	4	5	6	7
Sales growth	1	2	3	4	5	6	7

10 . Indicate your business unit's performance over the last three years compared to other businesses in the industry, where 1 = "in lowest 20%", 2 = "in lower 20%", 3 = "in middle 20%", 4 = "in next 20%", and 5 = "in top 20%".

ROA (Return on assets)	1	2	3	4	5
ROI (Return on investment)	1	2	3	4	5
Sales growth	1	2	3	4	5

11. Indicate the ratio of your business unit's total international sales to total sales for the latest fiscal year.

_____

About the Business Unit

12 . Indicate the industry your business unit is operating in.

_____

13 . Indicate the total number of employees working for your business unit. _____

14 . Indicate the number of managers in your business unit. _____

15 . Indicate the year in which your business unit starts operation. _____

16 . Indicate the year in which your business unit starts to internationalize. _____

17 . Indicate the percentage of foreign capital and the country (countries) which the foreign capital is belong to for your business unit.

_____

About the Manager

18 . What is your current position in the company ? _____

19. For how many years have you been working for this company ? _____

20 . Indicate the field that you are specialized in during education. _____

21 . Were you educated in a foreign (other than your native) country ? If the answer is "yes", where were you educated ?

_____

22 . Which foreign language(s) do you speak ? _____

Bu anket Boğaziçi Üniversitesi İşletme Bölümü için "Global Pazarlamada Standartlaştırmanın Performans Üzerindeki Etkisi" konulu bir master tezi olarak hazırlanmıştır. En kısa zamanda anketi doldurup Fulya Özparlak Arman'ın aşağıda belirtilen faks numarasına gönderebilirseniz çok seviniriz. Cevaplarınız yalnızca bu tezi hazırlayanlar tarafından kullanılıp başka kimseye bilgi verilmeyecektir.

Ayırdığınız zaman için çok teşekkür ederiz.

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İş Ünitesi, bir şirket içinde şirketin genelinden bağımsız olarak çalışabilen, kendi rakipleri, müşteri grupları bulunan, ve stratejik planlama ile karlılıktan sorumlu bir yöneticisi olan iş birimidir. Örnek : Unilever tek bir şirket olmasına rağmen içinde dondurmalar, margarin, deterjan, vb. Bir çok iş ünitesi vardır.
Aşağıdaki soruları yalnız kendi iş ünitenizi düşünerek cevaplandırınız.

1 . Yalnızca iş ünitenizin rekabet içinde bulunduğu sektörü düşünerek, aşağıdaki cümlelerin sektör içindeki pozisyonunuzu belirlemede ne kadar tanımlayacı olduğunu belirtiniz.

	Hiç tanımlamıyor						Çok iyi tanımlıyor
Müşteri ihtiyaçları bütün dünyada standart	1	2	3	4	5	6	7
Ürünü dünyada tanınıyor	1	2	3	4	5	6	7
Ürün dünya çapında aynı teknolojiyle üretiliyor	1	2	3	4	5	6	7
Müşterilerin satın alma yöntemleri dünya çapında standart	1	2	3	4	5	6	7
Dünya çapında bütün hedef pazarlarda rakipler var	1	2	3	4	5	6	7
Rakipler dünya çapında standart ürünleri pazarlıyorlar	1	2	3	4	5	6	7

2 . Lütfen aşağıdaki maddelerin iş ünitenizin şu andaki stratejisi için önemini belirtiniz ve en önemli olan ilk altı maddenin numarasını aşağıdaki bölüme yazınız.

	Hiç önemli değil						Çok önemli
Ürünle İlgili Maddeler							
1.Yeni ürün geliştirmek	1	2	3	4	5	6	7
2.Proses iyileştirmek	1	2	3	4	5	6	7
3.Mühendislik ve ARGE çalışmaları	1	2	3	4	5	6	7
4.Ürün kalitesi	1	2	3	4	5	6	7
5.Çok çeşitli ürün sunmak	1	2	3	4	5	6	7
6.Ayırt edici ürün özellikleri geliştirmek	1	2	3	4	5	6	7
Promosyon la İlgili Maddeler							
7.Reklam ve promosyon	1	2	3	4	5	6	7
8.Markanın tanınması	1	2	3	4	5	6	7
9.Endüstride ün kazanmak	1	2	3	4	5	6	7
10.Nitelikli bir satış ekibi kurulması	1	2	3	4	5	6	7
Fiyatla İlgili Maddeler							
11.Pahalı ürünler üretmek	1	2	3	4	5	6	7
12.Rakiplerle aynı veya daha düşük fiyatlandırmak	1	2	3	4	5	6	7
13.Endüstride fiyat lideri olmak	1	2	3	4	5	6	7
Müşteri Servisi ve Dağıtım							
14.Müşteri servisini ve servis kalitesini geliştirmek	1	2	3	4	5	6	7
15.Dağıtım kanallarını etkilemek veya kontrol etmek	1	2	3	4	5	6	7
16.Çok çeşitli müşterilere hizmet etmek	1	2	3	4	5	6	7
17.Coğrafik olarak çok çeşitli pazarlarda çalışmak	1	2	3	4	5	6	7
Üretim							
18.Birim başına düşük maliyet	1	2	3	4	5	6	7
19.Kapasite kullanımını yüksek tutmak	1	2	3	4	5	6	7
20.Kontrol masraflarını azaltmak	1	2	3	4	5	6	7
21.Etkin üretim	1	2	3	4	5	6	7
Pazar Araştırma ve Taktik Planlama							
22.Pazardaki fırsatları sürekli olarak izlemek	1	2	3	4	5	6	7
23.Yeni pazarlama teknikleri geliştirmek	1	2	3	4	5	6	7
İş üniteniz için en önemli olan 6 madde :							

3 . Aşağıdaki maddelerin iş ünitenizin şu andaki stratejisi için önem derecesini belirtiniz.

	Hiç önemli değil						Çok önemli
Yabancı pazarlarda güvenli devlet yardımı almak	1	2	3	4	5	6	7
Uluslararası bilgi ağları geliştirmek	1	2	3	4	5	6	7
Başka firmalarla uluslararası pazarlama anlaşmalarını formüle etmek	1	2	3	4	5	6	7
Uluslararası distribütör ve dağıtım firmalarıyla uzun vadeli, güvenli anlaşmalar yapmak	1	2	3	4	5	6	7
Ürünlerin üretiminde hammaddeden dağıtıma kadar uluslararası kontrolü sağlamak	1	2	3	4	5	6	7
Başka firmalarla uluslararası ARGE / teknoloji anlaşmalarını formüle etmek	1	2	3	4	5	6	7
Dünya çapında operasyonların yatay (benzer aynı düzeydeki birimlerle) birleştirilmesi	1	2	3	4	5	6	7
Dünya çapında operasyonların dikey (üst ve alt düzeydeki birimlerle) birleştirilmesi	1	2	3	4	5	6	7

4 . İş ünitenizin çalıştığı sektördeki teknoloji değişim hızını, 1 = 'çok hızlı', 7 = 'çok yavaş olarak belirtiniz.

1	2	3	4	5	6	7

5 . İş ünitenizin ürün ve üretim teknolojisindeki yenilenme hızını , 1 = "10 yıldan fazla", 2 = "5 ile 10 yıl arası", 3 = "2.5 ile 5 yıl arası", 4 = "1 ile 2.5 yıl arası", 5 = "1 yıldan kısa" olarak belirtiniz.

1	2	3	4	5

6 . Rakiplerinizin ürün değiştirme (yeni ürün veya eski ürünleri geliştirme) hızlarını, 1 = "mevsimsel", 2 = "düzenli (1 yıldan daha kısa aralıklarla)", 3 = "yıllık", 4 = "düzenli (1 yıldan daha uzun aralıklarla)", 5 = "düzenli bir değiştirme süresi yok" olarak belirtiniz.

1	2	3	4	5

7 . Aşağıdaki cümlelerden sizin iş ünitenizin ürünlerini en iyi tanımlayan cümleleri seçiniz.

☐ Ürün pazara yeni girdiği için düşük satışlar. Yüksek ürün tanıtımı masrafları yüzünden kar hiç yok

☐ Önemli bir kar artışı ve ürünün pazarda kabul görmesi.

☐ Satışlar artmaya devam ediyor, ama rakiplere karşı ürünü korumak için yapılan masraflar ve/veya düşük fiyatlandırma yüzünden kar azaldı.

☐ Satışlar çok düştü, ve kar kalmadı.

8 . Bu soru iş ünitenizdeki yöneticilerin aşağıdaki görüşleri ne derece paylaştığını ölçmek için sorulmuştur.

İş ünitenizde :

	Kesinlikle paylaşılmıyor						Kesinlikle paylaşılıyor
1.Tutucu kararlar yerine, yenilikçi kararlar verilir	1	2	3	4	5	6	7
2. İyi fikirlere şans verilir	1	2	3	4	5	6	7
3.Yöneticiler sonuçlardan sorumlu tutulur (ara sonuçlardan değil)	1	2	3	4	5	6	7
4.Açık performans değerlendirmeleri vardır	1	2	3	4	5	6	7
5.Diğer ünitelerle bilgi paylaşımı ve iletişim vardır	1	2	3	4	5	6	7
6.Diğer departmanlardaki yöneticilerle ilişkiler kurulur ve devam ettirilir	1	2	3	4	5	6	7
7.Diğer yöneticilerin sorunları anlanmaya çalışılır	1	2	3	4	5	6	7
8.Çalışanlarla etkili iletişim ve işbirliği sağlanır	1	2	3	4	5	6	7
9.Karar verme yetkisi yöneticilerdedir	1	2	3	4	5	6	7
10.Bireysel atılım ve etkinlik cesaretlendirilir	1	2	3	4	5	6	7
11.Karar vermede tutarlılık vardır	1	2	3	4	5	6	7
12.Görev sorumluluğunu ve işe bağlılığı pekiştiren iş politikaları vardır	1	2	3	4	5	6	7
Yukarıdaki görüşlerin iş ünitenizde en çok paylaşılan ilk üç tanesini numaralarını yazarak belirtiniz.							

9 . İş ünitenizin performansındaki hedeflenen artışı. 1 = "%25'den fazla", 2 = "%20 ile %25', 3 = "%15 ile %20', 4 = "%10 ile %15", 5 = "%5% ile %10", 6 = "%0 ile %5', 7 = "negatif veya düşüş" olarak belirtiniz.

Aktif karlılık (Return on assets)	1	2	3	4	5	6	7
Yatırım karlılığı (Return on investment)	1	2	3	4	5	6	7
Satış artışı	1	2	3	4	5	6	7

10 . İş ünitenizin son üç yıldaki performansını . endüstrideki diğer rakiplerle karşılaştırarak, 1 = "en düşük 20%'de ", 2 = "düşük 20%'de", 3 = "orta 20%'de", 4 = "üst 20%'de", and 5 = "en üst 20%'de" olarak belirtiniz.

Aktif karlılık (Return on assets)	1	2	3	4	5
Yatırım karlılığı (Return on investment)	1	2	3	4	5
Satış artışı	1	2	3	4	5

11 . İş ünitenizin son yıldaki ihracatının toplam satışlara oranını (yüzde olarak) belirtiniz.

_____

İş Ünitesi Hakkında

12 . İş ünitenizin içinde bulunduğu endüstriyi belirtiniz.

_____

13 . İş ünitenizde çalışmakta olan eleman sayısı : _____

14 . İş ünitenizde çalışmakta olan yönetici sayısı : _____

15 . İş ünitenizin çalışmaya başladığı yıl ; _____

16 . İş ünitenizin dış ticaret veya yabancı ortaklarla çalışmaya başladığı yıl : _____

17 . İş ünitenizin yabancı sermaye oranını ve sermayenin sahibi olan ülke (ülkeler) yi belirtiniz..

_____

Yönetici Hakkında

18 . İş ünitesindeki göreviniz : _____

19. Kaç yıldır bu şirkette çalışmakta olduğunuzu belirtiniz. _____

20 . Eğitimde uzmanlık konunuzu belirtiniz. _____

21 . Yabancı bir ülkede eğitim gördünüz mü ? Eğer cevabınız "evet" ise yerini belirtiniz.

_____

22 . Hangi yabancı dili (dilleri) konuşabiliyorsunuz ? _____

APPENDIX B - CODING FORMAT FOR QUESTIONNAIRE

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
1-2	-	Questionnaire identification number	-
			Coding Spec. for 1a- 1f 1 = Not at all characteristic . . . 7 = Highly characteristic 9 = No answer
3	1a	Customer / buyer needs are standardized worldwide (V2)	
4	1b	Product awareness and information exists worldwide (V3)	
5	1c	Standardized product technology exists worldwide (V4)	
6	1d	Standardized purchasing practices exist worldwide (V5)	
7	1e	Competitors exist that have a presence in all key markets (V6)	
8	1f	Competitors market a standardized product worldwide (V7)	
			Coding Spec. for 2.1 - 2.23 1 = Not at all important . . . 7 = Extremely important 9 = No answer
9	2.1	Emphasize new product development (V8)	
10	2.2	Emphasize process innovation (V9)	
11	2.3	Emphasize engineering and R&D innovation (V10)	
12	2.4	Emphasize product quality (V11)	
13	2.5	Offer a broad number of products (V12)	
14	2.6	Develop unique product features (V13)	
15	2.7	Emphasize advertising and promotion (V14)	
16	2.8	Build brand awareness (V15)	
17	2.9	Build reputation in industry (V16)	
18	2.10	Develop highly skilled salesforce (V17)	
19	2.11	Produce high priced products (V18)	
20	2.12	Price at or below competitive price levels (V19)	
21	2.13	Price leadership in the industry (V20)	
22	2.14	Emphasize customer service and service quality (V21)	

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
23	2.15	Influence and /or control channels of distribution (V22)	
24	2.16	Serve a wide variety of customers (V23)	
25	2.17	Operate in a wide range of geographic markets (V24)	
26	2.18	Emphasize low cost per unit (V25)	
27	2.19	Emphasize high capacity utilization (V26)	
28	2.20	Decrease control overhead (V27)	
29	2.21	Emphasize efficient manufacturing (V28)	
30	2.22	Monitor market opportunities on an ongoing basis (V29)	
31	2.23	Develop innovative marketing techniques (V30)	
			Coding Spec. for 2.24a - 2.24f Number of the items (1-23) 99 = No answer
32-33	2.24a	Most important 6 product related items 1st (V31)	
34-35	2.24b	Most important 6 product related items 2nd (V32)	
36-37	2.24c	Most important 6 product related items 3rd (V33)	
38-39	2.24d	Most important 6 product related items 4th (V34)	
40-41	2.24e	Most important 6 product related items 5th (V35)	
42-43	2.24f	Most important 6 product related items 6th (V36)	
			Coding Spec. for 3a- 3h 1 = Not at all important . . . 7 = Extremely important 9 = No answer
44	3a	Secure government assistance in penetrating foreign markets (V37)	
45	3b	Develop external international information networks (V38)	
46	3c	Formalize international marketing agreements with outside firms (V39)	
47	3d	Secure long-term contractual agreements with international distributors and suppliers (V40)	
48	3e	International control of manufacturing cycle from raw materials to distribution of finished products (V41)	

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
49	3f	Formal international R&D / technology agreements with outside firms (V42)	
50	3g	Horizontal integration of operations worldwide (V43)	
51	3h	Vertical integration of operations worldwide (V44)	
52	4	Rate of technology change in industry (V45)	1 = Very fast . . . 7 = Very slow 9 = No answer
53	5	Product and production technology obsolescence rate (V46)	1 = Greater than 10 year 2 = Between 5 and 10 years 3 = Between 2.5 and 5 years 4 = Between 1 and 2.5 years 5 = Less than 1 year 9 = No answer
54	6	Rate of product modification instigated by competitors (V47)	1 = Seasonally 2 = Periodically(in intervals less than 1 year) 3 = Annually 4 = Periodically(intervals longer than 1 year) 5 = No regular periodic patterns of change 9 = No answer
55	7	PLC (V48)	1 = Introduction 2 = Development 3 = Maturity 4 = Decline 9 = No answer
			Coding Spec. for 8.1 - 8.12 1 = Not at all shared . . . 7 = Shared extremely 9 = No answer
56	8.1	Innovative rather than conservative decision making (V49)	
57	8.2	Taking chances on good ideas (V50)	
58	8.3	Holding managers accountable for end results (rather than means) (V51)	
59	8.4	Clear performance measures. characterize beliefs within BU(V52)	

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
60	8.5	Share information and communicate with other subunits (V53)	
61	8.6	Maintain / develop relationships with managers in other departments (V54)	
62	8.7	Make efforts to understand other manager's problems (V55)	
63	8.8	Create / maintain effective communication and cooperation with peers (V56)	
64	8.9	Autonomy in decision making is given to managers (V57)	
65	8.10	Individual initiative and achievement is emphasized (V58)	
66	8.11	Consensus in decision making (V59)	
67	8.12	Policies / practices that promote a sense of duty and loyalty to the business (V60)	
			Coding Spec. for 8.13a - 8.13c Number of the items (1-12) 99 = No answer
68-69	8.13a	Most important 3 managerial decision-making items 1st (V61)	
70-71	8.13b	Most important 3 managerial decision-making items 2nd (V62)	
72-73	8.13c	Most important 3 managerial decision-making items 3rd (V63)	
			Coding Spec for 9a - 9c 1 = greater than 25% 2 = 20% to 25% 3 = 15% to 20% 4 = 10% to 15% 5 = 5% to 10% 6 = 0% to 5% 7 = negative return or drop 9 = No answer
1	9a	Business unit performance-ROA (V64)	
2	9b	Business unit performance-ROI (V65)	
3	9c	Business unit performance-Sales growth (V66)	
			Coding Spec for 10a - 10c 1 = lowest 20% 2 = lower middle 20% 3 = middle 20% 4 = upper middle 20% 5 = top 20% 9 = No answer

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
4	10a	Relative intraindustry performance-ROA (V67)	
5	10b	Relative intraindustry performance-ROI (V68)	
6	10c	Relative intraindustry performance-Sales growth (V69)	
7	11	Actual Latest-year Performance (International sales percentage) (V70)	0 = 0% 1 = 1% - 5% 2 = 6% - 10% 3 = 11% - 15% 4= 16% - 20% 5 = 21% - 25% 6 = 26% - 30% 9 = No answer
8	12	Business unit's industry (V71)	1 = Food and Beverages 2 = Health care and cleaning prod. 3 = Computer 9 = No answer
9	13	Number of employees (V72)	1 = 1 -100 2 = 101 - 200 3 = 201 - 300 4 = 301 - 400 5 = 401 - 500 6 = greater than 501 9 = No answer
10	14	Number of managers (V73)	1 = 1 - 5 2 = 6 - 10 3 = 11 - 20 4 = 21 - 30 5 = greater than 31 9 = No answer
11	15	Number of years business unit is operating (V74)	1 = 1 - 5 2 = 6 - 10 3 = greater than 11 9 = No answer
12	16	Number of years business unit is internationalized (V75)	1 = 1 - 5 2 = 6 - 10 3 = greater than 11 9 = No answer
13-15	17.1a	Percentage of foreign capital (V76)	1-100 999 = No answer
16	17.1b	Country foreign capital belongs to (V77)	1 = USA 2 = UK 3 = Holland 4 = Italy 5 = Denmark 6 = Belgium 9 = No answer
17-19	17.2a	Percentage of foreign capital (V78)	1-100 999 = No answer

Column(s)	Question Number	Variable(Variable Number)	Coding Specification
20	17.2b	Country foreign capital belongs to (V79)	1 = USA 2 = UK 3 = Holland 4 = Italy 5 = Denmark 6 = Belgium 9 = No answer
21	18	Interviewees current position (V80)	1 = General Manager 2 = Marketing Manager 3 = Brand Manager 4 = Product Group Manager 5 = Customer Relations 6 = Market Research 9 = No answer
22-23	19	Number of years worked in business unit (V81)	1-35 99 = No answer
24	20a	Specialization in undergraduate education (V82)	1 = History 2 = Industrial Eng. 3 = International marketing 4 = Marketing 5 = Chemistry 6 = Food Eng. 7 = Management 8 = Pharmacy 9 = No answer
25	20b	Specialization in undergraduate education (V83)	1 = MBA /Marketing 2 = MBA /Finance 3 = MBA /International Marketing 4 = Food Process 9 = No answer
26	21	Education in foreign country (V84)	0 = Answer is No 1 = USA 2 = UK 3 = Germany 9 = No answer
27	22	Number of foreign languages spoken (V85)	0-4 9 = No answer
			Coding Spec for 22a - 22d 1 = English 2 = German 3 = French 4 = Italian 5 = Spain 9 = None
28	22a	Foreign language 1st (V86)	
29	22b	Foreign language 1st (V87)	
30	22c	Foreign language 1st (V88)	
31		Nationality of interviewee	1 = Turk 2 = Foreign