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Marketing Standardisation by Multinationals in an Emerging Market

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Introduction

The extent to which marketing programmes and processes should be standardised across national boundaries has received significant research attention in international marketing. Despite the longstanding interest in the topic, there are sharp differences of opinion concerning the desirability, feasibility and applicability of standardisation[1]. Buzzell[2], for example, stated that significant cost savings, mainly in product design, packaging, and promotion can be achieved by marketing standardisation. The same economies of scale and resulting efficiencies in marketing programmes were supported by Keegan[3], Quelch and Hoff[4] and Whitelock[5]. Sorenson and Wiechmann[6] have argued that successful multinational companies (MNCs) have standardised the "process" of marketing decisions by establishing a uniform system for "annual marketing planning". Daniels[7] relates the issue of standardisation versus differentiation to centralised versus decentralised marketing management stating that standardisation is more likely to occur when decisions are made at the headquarters level.

Greater interdependence of world markets and increasing homogenisation of the world population in terms of product preferences have brought a new dimension to the discussion of standardisation of marketing strategies by MNCs[8]. According to Levitt[9], technology drives the world toward commonality and the result is "the emergence of global markets for standardised consumer products on a previously unimagined scale of magnitude" (p. 62). Terpstra[10] emphasises the creation of a global marketplace through advances in technology in communications, information and transportation.

Globalisation of marketing programmes and processes has provoked some critical responses from the academia. Walters[1] states that variations in company and product characteristics make it difficult to believe that unique recipes for universal success have been discovered. Furthermore, Simmonds[11] claims that for a MNC to survive the test of competition, it must adjust to the segments which require separate treatment because of institutional or customer differences. Besides, consumers have reacted to an overdose of standarised products by showing a renewed preference for differentiated products[12]. Sharing the same view, Wind and Robertson[13] argue that non-segmented strategy is inevitably suboptimal.

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The arguments for and against standardisation are represented in Levitt's[9] main point which says that successful MNCs accept and adjust to differences in the market only after testing their inevitability. The issue is how much standardisation can be attained while using an overall global strategy. According to Daniels[7], standardisation versus differentiation may be thought of as a continuum, with company operations falling somewhere between the extremes. Jain[14], further supports this view saying that total standardisation is unthinkable. Given the significant differences between customer needs and market conditions overseas and the advantages of global marketing strategies and programmes, a debate which is defined by polar opposites does not seem to make a great deal of sense[15]. Quelch and Hoff[4] suggest that flexibility is essential in determining the right level of standardisation versus differentiation. Besides, possibilities and consequences of a standardisation strategy are to be evaluated from a "consumer segmentation" point of view[16]. Positive and negative effects of such a strategy on the customers are to be considered first, and the possible consequences for the company in the long-run are to be evaluated before it is implemented. These views lead to the conclusion that standarisation is a desirable objective if it is feasible in the context of the international marketing environment and the goals of the firm.

This study attempts to identify the factors that determine the degree of standardisation in marketing programmes and processes of MNCs operating in a developing country. It is argued that the extent of marketing standardisation is dependent on three sets of variables outlined in Figure 1.

Some of the host country and product related variables outlined in Figure 1 are adapted from a framework proposed by Rau and Preble[8]. The first set of variables are evaluated on the basis of similarities between host country environment in marketing infrastructure and the legal practices. The second

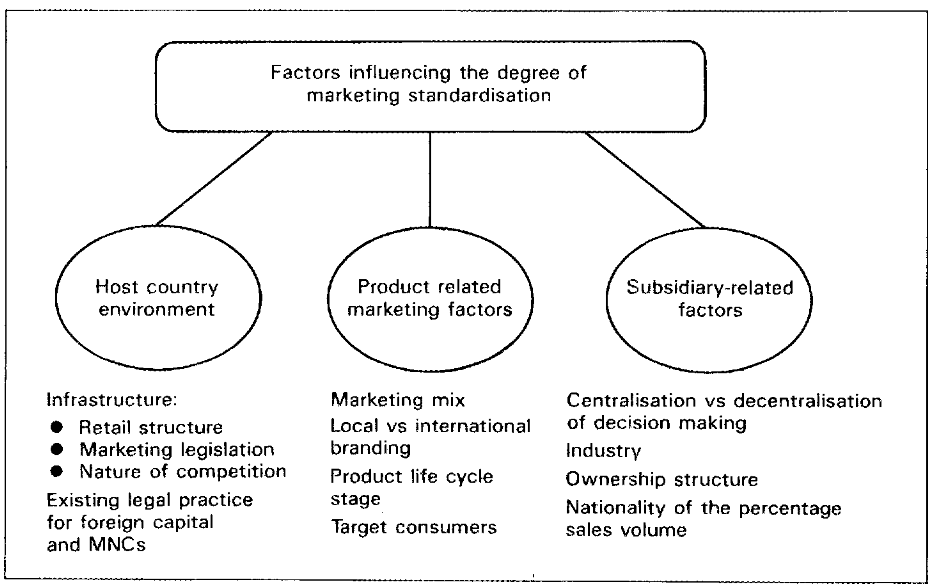

Figure 1. Country and Product-related Variables

set of factors refer to the product and its marketing plan; and it is claimed that great differences in these may inhibit marketing standardisation.

The final set of variables consist of firm characteristics such as organisational structure, patterns in sharing control, and nationality of the parent company which may either accelerate or inhibit the transfer of marketing practices from one country to another.

Previous Research Evidence

The topic of marketing standardisation has been analysed empirically in two major streams of research studies; namely standardisation of marketing processes and marketing programmes. The focus of programme standardisation is on the uniformity of the internal marketing mix elements whereas, process standardisation is concerned with marketing philosophy, principles and technology employed in the planning and implementation of marketing decisions. Process standardisation studies have concluded that it is often more important and feasible to impose "uniform systems" for international marketing and decision making than it is to standardise the content of marketing programmes[1].

Support for the standardisation of marketing processes can be identified in a variety of studies. Sorenson and Wiechmann[6] view the standardised systems for planning local activities as essential for international transfer of marketing skills. Wiechmann[17] states that standardising the process of marketing decision making can be achieved by systems transfer. Peebles, Ryans and Verson[18] recommend the development of a programmed management approach for the development and co-ordination of international advertising which encourages two-way communication between the subsidiary and headquarters. The standardised process approach aims at providing a conceptual framework, a way of thinking together with a methodology for implementation rather than specific detailed guidelines for action[1].

The effects of organisation variables on process standardisation have been analysed in some detail. Brandt and Hulbert[19], reporting the operations of MNCs in Brazil, argue that subsidiary's strategic objectives are strong determinants of headquarter's guidance. The static characteristics of the parent company and the subsidiary have little influence over the amount of centralised guidance. Aydin and Terpstra[20] report that headquarters with the standardisation-centralisation approach tend to do more marketing know-how transfers than those with a decentralised adaptation approach. Rau and Peeble[8] mention that US multinationals have low "internal organisational costs" made possible by transfers of management and marketing skills.

Studies on standardisation of marketing programmes concentrate mainly on advertising and product elements of the marketing mix. Pricing and distribution channels have received relatively little attention in the context of standardisation research.

Proponents of standardised advertising argue that similarities of product perceptions exist among consumers of different heritage and that a common theme promotes the development of a consistent and universally recognisable company image[21]. Customer mobility, media overlap[18], and many consumer ''common denominators'' make the standardised approach to international advertising feasible[22]. However, Killough[23] and Sorenson and Wiechmann[6] studies report a lower level of standardisation in creative expression than in the basic advertising message.

Where the product element of the marketing mix is concerned, studies by Sorenson and Wiechmann[6], Aydin and Terpstra[20], and Hill and Still[24] all point out to the product area as the one where the propensity of firms towards standardisation is highest. Research evidence suggests that products that are not tightly culture-bound can be standardised more easily than others. Sorenson and Wiechmann[6] revealed a high degree of standardisation in brand names, physical characteristics and packaging of consumer non-durables. Hill and Still[24], in a study of MNCs operating in less developed countries, found that local adaptations were necessary for the market succes of food and general consumer products, whereas high degrees of standardisation with cosmetics and pharmaceuticals was possible. Quelch and Hoff[4] add that consumer products used at home are often more culture-bound than products used outside the home. Whitelock[5] expects to find greater standardisation in industrial products and consumer durables since greater cost savings would be realised with standard product design. Finally, Kirpalani and Macintosh[25], in their study investigating factors accounting for success in international marketing, found that firms selling relatively standard, medium technology products aimed at mature markets did well at overseas markets.

With regard to pricing element of marketing mix, there seems to be a general agreement that prices are difficult to standardise across borders. Standardisation in prices is not possible because a MNC will compete with different firms in different environments and prices will be affected by transportation costs, duties, channels of distribution and raw material availability in each market[26]. Sorenson and Wiechmann[6] found that in contrast to product decisions, pricing decision tends to be much more dissimilar across countries. Similarly, Aydin and Terpstra[20] report only a limited central involvement in the area of pricing by MNCs in Turkey.

Few studies conducted in the area of distribution policy report considerable autonomy and few know-how transfers by MNCs[20]. The reason for low standardisation is tied to differences among countries in institutions and structure of distribution systems[26].

Recent increase of international co-operative joint ventures may decrease the applicability of standardisation in marketing processes and programmes because the need to satisfy more than one partner's interests may necessitate considerable compromise and decentralisation[7]. The problem may be more vital between partners from developing and developed countries as predicted by Killing[27]. Furthermore, indifferent attitudes of Turkish managers towards marketing know-how transfers along with traditionalism and production-oriented philosophy, as reported by Cavusgil and Yavas[28], may be an important barrier to international marketing standardisation in developing countries.

Location of the Study

Although much has been said and written lately on the international standardisation issue, we are nowhere close to any conclusive theory or practice, the reason being the limited number of empirical studies in the area of international marketing[14]. With regard to lesser developed countries, empirical studies are even more limited due to the fact that research on standardisation of international marketing processes and programmes mostly concentrated on the markets in the Western world or developed countries. Furthermore, for the most part, studies are conducted in isolation and possessing no linkages to other studies[29]. There appears to be a need for further empirical studies on the practice of marketing standardisation by MNCs in developing countries which also test the generalisability of previous research. Turkey provides rich opportunities for such research since the number of international joint ventures has been increasing greatly since the second half of the 1980s. As of the end of December 1989, 1,484 foreign companies operated in Turkey. According to distribution by countries, the former Federal Republic of Germany ranks first with 233 firms. With respect to share of total foreign capital, the United Kingdom and Switzerland rank first and second with 16.2 and 12.3 per cent share of foreign capital each respectively. The law on ''Encouragement of Foreign Capital'' extends to foreign capital all the rights granted to domestic firms in comparable fields of activity. There are no restrictions on the transfer of profits abroad. At the moment joint venture is the most popular form of foreign investment in Turkey accounting for 60 to 70 per cent of all foreign investments[30]. This brief description of the foreign operations in Turkey is indicative of the opportunities that lie ahead not only for companies intending to invest but also for the academia interested in conducting research in this country.

Research Design and Methodology

The objective of the research was to determine the extent to which MNCs in Turkey standardise their marketing activities. The degree of marketing standardisation was measured for various elements of a marketing programme. Subsidiary managers were asked to evaluate a product that was marketed both in the parent country and in Turkey and they reported how similar or different each marketing element for the chosen product is in the Turkish subsidiary compared with the parent country. Judgements were rated on a seven-point scale ranging from ''very different'' (1) to ''very similar'' (7). Operationalistion of standardisation in marketing decisions was based upon the study by Sorenson and Wiechmann conducted in 1975[6]. An index of standardisation was created by summing up the sources for 13 elements of a marketing programme. Variations in standardisation index were investigated for:

(1) the industry in which the subsidiary operated;

(2) the nationality of the parent company and;

(3) ownership structure of the subsidiary.

Standardisation in marketing programmes was expected to be related with similarity of marketing conditions between home and host markets, and the level of centralisation in marketing decisions. Similarity in market conditions was measured by asking the executives to evaluate how similar or different they thought market conditions were for a certain product at home and in Turkey. Sorenson and Wiechmann's[6] seven-point similarity scale was used in reporting judgements. A market similarity index was calculated by summing up the ratings given for each marketing condition element.

The level of centralisation in marketing decisions was probed by asking executives to report how much guidance they received from the headquarters in their decisions[19]. The scale utilised was adapted from Brandt and Hulberts' study[19] and ranged between "no directive received" (0) to "almost all directives received from headquarters" (5) for each decision area. A centralisation in marketing decisions index was created by summing up the ratings reported by the executives.

Sample and Data Collection Procedures

The study examined 33 MNCs operating in Istanbul, the largest city and the primary commercial region in Turkey. Sampling frame used for selecting companies was obtained from YASED (Association for Foreign Capital Co-ordination) which covers all foreign firms operating under the law of Foreign Capital Encouragement. Only those firms which had manufacturing plants and operated in the consumer nondurables, food/beverages, pharmaceuticals/chemicals, and electronics/motor vehicles and components were studied. Hence, agriculture, services and extractive industries were left out of the study by design, despite the fact that they may have represented significant foreign capital flows from particular countries. Although the criteria for inclusion was 20 per cent of foreign capital almost half of the sampled companies were fully owned subsidiaries and the average of foreign capital was 73 per cent. At the time of field research (early 1988), there were 153 European or US subsidiaries operating in Istanbul which qualified for the study. Thirty-three of them responded favourably to participate in the study. Major MNCs like Colgate-Palmolive, Nestlé SA, Coca Cola Co., Unilever, Pfizer, Johnson & Johnson, Goodyear, Philips, Ciba-Geigy, Pirelli, Pepsi Cola, Siemens, Renault and Mobil Oil offered their generous co-operation.

A total of 58 interviews were conducted over a three-month period. All of the interviews were conducted in English by the same interviewer to standardise administration. Questions, if any, were clarified by the interviewer who was a bilingual expert as suggested by Adler[31]. An attempt was made to interview both a local manager and an expatriate at each firm to cross-check the responses.

When response were cross-checked differences in judgement did exist among expatriate and local managers. Scores of expatriates were higher in all marketing programme, market condition, and marketing decision-making indexes. However, differences were not significant. This led to considering expatriate and local managers as a single sample in further steps of the research.

Data were collected by administering a semi-structured interview guided by a pretested questionnaire. Interviews lasted approximately two hours. The interviewer had the opportunity to probe for answers which went beyond the simple answers to the questions.

The questionnaire consisted of three major parts. In the first part the degree of standarisation in marketing programmes, the similarity in market conditions between the home and host country, and the level of centralisation in marketing decisions were probed. The second part consisted of questions which aimed at determining the characteristics of the parent company and the subsidiary. Industry, nationality of the parent, share of foreign capital, and subsidiary sales volume were among the questions asked. The final part included questions about the responding manager such as position in the company, previous job experience, education and international experience.

Findings

Similarity of Marketing Programmes

The managers were asked to evaluate how similar or different 13 elements exhibited in Table I were in Turkey and in the parent country. Important insights can be ascertained by identifying marketing mix elements that are most and least standardised across national borders. The marketing mix element with the highest mean rating is product characteristics. As one executive put it: "Our products are extremely standardised and a product produced in one country can be sold in any of our markets around the world". Product-related elements such as brand name and positioning are mostly standardised whereas retail practices are the least standardised elements of the marketing mix.

A considerable similarity exists in advertising themes, however, the copy is less standardised. Most managers said that they used television more often in Turkey than at home.

Retail prices of MNCs were higher in Turkey when compared with both home market and local competitors. Managers interviewed remarked that price differentiation at retail level is essential for their product positioning strategy. Complaints were expressed about the unlimited numbers of retailers and fragmented nature of wholesalers in Turkey which inhibited standardisation.

Marketing mix elements	Means*	Standard deviation
Product characteristics	3.97	1.30
Brand name	3.88	1.02
Product positioning	3.71	1.09
Packaging	3.71	1.13
Media allocation	3.67	1.70
Advertising theme	3.64	1.44
Customer service	3.33	1.65
Sales promotion	3.24	1.75
Role of salesforce	3.12	1.50
Advertising copy	3.10	1.51
Retail price	2.96	1.36
Type of middlemen	2.59	1.37
Total marketing programme	3.48	1.73
Overall mean	3.42	

Scale values: 1 (very different); 7 (very similar)
*The higher the mean the higher the similarity

Table I.
Similarity Levels for Marketing Programme Elements

Standardisation by Industry, Nationality and Ownership Structure
Existing literature suggests that standardisation of marketing programmes varies considerably by product category and industry. Hill and Still[24] reported food and drink and general consumer goods are most likely to undergo adaptations, whereas pharmaceuticals are standardised globally. Similarly, Sorenson and Wiechmann[6] found cosmetics to be highly standardised, while considerable local custom-tailoring took place for some food products.
Turkish subsidiary sales as a proportion of MNCs total world sales is shown in Table II(d). For nearly 64 per cent of the sampled MNCs, the Turkish market had less than 1 per cent of their global sales. Nevertheless many executives stated that the Turkish market was considered to be very important because it was expanding rapidly. The degree of marketing standardisation is not sensitive to the differences in subsidiary sales volume since the mean differences in standardisation scores for three levels of sales volume did not yield statistical significance.

In the present study each product evaluated by the executives was grouped into one of the industry types as shown in Table II (a). Differences in mean standardisation sources were statistically significant across the product groupings. Scheffe test of pairwise comparison of means indicate that those MNCs operating in pharmaceuticals and chemicals standardise their marketing programmes significantly more than those operating in electronics and motor vehicle components.

(a) Industry type	*n*	*x**	*F*	*P*
Consumer nondurables	10	48.35	3.91	0.033
Food and beverages	6	43.27		
Pharmaceuticals/chemicals	8	47.77		
Electronics/motor vehicles components	9	37.23		
(b) Nationality of the parent	*n*	*x*	*F*	*P*
USA	11	47.75	5.44	0.0010
German	7	48.63		
Swiss	5	40.00		
Dutch	4	40.88		
Other European	6	34.10		
(c) Share of foreign capital	*n*	*x*	*F*	*P*
100 per cent	15	47.77	6.41	0.0031
90 to 50 per cent	13	41.48		
49 to 20 per cent	5	35.78		
(d) Subsidiary: Sales/total sales	*n*	*x*	*F*	*P*
< 1 per cent	21	41.25	0.066	0.936
1-5 per cent	10	42.01		
> 5 per cent	2	44.34		

* Higher the mean more standardised is the marketing programme.

Table II. Standardisation Index by Industry, Nationality and Ownership

Level of standardisation in marketing programmes differ significantly according to the nationality of the parent company as seen in Table II (b). Standardisation levels were highest for German MNCs followed very closely by US MNCs. US and German MNCs tend to standardise their marketing activities significantly more than other European MNCs originating from United Kingdom, Denmark, France, and Italy. However, these findings are only illustrative due to the limited number of companies from these countries represented in the sample.

Rau and Preble[8] have stated that in joint-venture types of partnerships product standardisation would be more difficult. As Shenkar and Zeira[32] pointed out joint ventures have unique complexities because of multiple goals, different perceptions, diverse sources of authority, multiple reference groups, and two or more dominant cultures. Hence, it is likely that the degree of marketing standardisation differs between wholly-owned subsidiaries and joint ventures with differing foreign capital shares. This contention is supported in the present study as seen in Table III (c). The degree of marketing standardisation is significantly higher in wholly-owned subsidiaries than in joint ventures with foreign capital share less than 50 per cent.

Standardisation and Similarity of Market Conditions

Executives were asked to evaluate how similar or different market conditions were in the parent country and in Turkey. Mean similarity ratings for each market condition reported in Table III are derived by a seven-point scale ranging from "very different" (1) to "very similar" (7).

The greatest level of similarity in both countries is reported or target consumers. Some managers report that they target their products to higher socio-economic groups in Turkey. Stage of product lifecycle is evaluated as the most different condition in two countries. Many products like salad dressings, liquid cleaners, toothpaste and deodorants were in the introduction stage in Turkey, whereas they had reached at maturity stages in home markets.

Market share positions of MNCs in the sample are quite different from the home market. Many manufacturers of well-known brands such as Ajax household cleaners, Calve sauces, Lipton tea and Signal toothpaste had lower shares in

Market condition elements	X*	s.d.
Target consumers	3.38	1.44
Use pattern among consumers	3.22	1.55
Nature of competition (local vs. MNC)	3.03	1.83
Availability of advertising media	2.84	1.44
Retail structure	2.79	1.71
Marketing legislation	2.79	1.54
Market share position of company	2.78	1.77
Stage of product in its plc	2.62	1.53
Overall mean	2.58	

Scale values: 1 (very different); 7 (very similar)

* Higher the mean, more similar is the market condition.

Table III. Similarity in Market Conditions the Turkish market, because their products were newly introduced. Some other companies like Goodyear, Pirelli, Renault and Tofas reported higher market shares because low levels of competition existed in their industries.

It may be expected that where market conditions between any two countries are similar, the level of standardisation in marketing programmes will be higher. The present study findings support this expectation. A positive correlation ($r = 0.556$, $p = 0.000$) was found between the overall standardisation and similarity in market conditions indexes. Total marketing programme standardisation increased as the similarity in the nature of competition ($r = 0.6194$, $p = 0.000$), in retail structure ($r = 0.3242$, $p = 0.007$), in target consumer segments ($r = 0.3204$, $p = 0.007$), in marketing legislation ($r = 0.2289$, $p = 0.042$), and in product's lifecycle stage ($r = 0.2173$, $p = 0.051$) increased between the home and Turkish markets.

Standardisation and Centralisation in Marketing Decisions

Executives were asked to indicate how much direction they receive from headquarters for each decision area covered in Table IV. Mean values are based on a scale ranging from "none" (0) to "very much" (5).

It should be noted that the mean scores for the different-decision making elements are relatively high rather than central as in the marketing programme elements. This finding supports the view that MNCs tend to respond to the need for greater scale efficiency and more globally integrated marketing programmes by providing higher co-ordination and control over their worldwide operations[12].

Headquarters interference is highest in product design decisions and in setting performance objectives such as profitability and market share. As one executive put it:

> Even a minor change in the product design needs the approval of the headquarters which takes a long time and requires persuasion. If they don't accept it, we cannot do anything because it is their product anyway.

Executives indicated that they are highly independent in pricing decisions, they receive either no guidance or very little guidance for setting price guidelines.

Decision areas	X*	s.d.
Product design	4.26	1.53
Brand name	4.05	1.71
Package design	3.69	1.67
Advertising message	2.83	1.87
Salesforce management	2.24	1.74
Sales promotion	2.11	1.83
Price guidelines	1.47	1.65
Other: Profitability and marketing share segments	4.26	1.04
Overall centralisation	3.11	

Scale values: 0 (none); 5 (very much)

* Higher the mean, more centralised is the decision area.

Table IV. Centralisation in Marketing Decisions

This finding together with the low levels of standardisation in retail price (Table I) is not surprising considering differences in income levels in different markets.

A positive and statistically significant correlation ($r = 0.385$, $p = 0.001$) is found between overall standardisation and centralisation scores for marketing practices indicating that headquarters tend to control marketing decisions for implementing standardised programmes.

Conclusion and Implications

Summary of Results

Multinational firms covered in this study tended to apply different levels of standardisation for different marketing mix elements. The level of standardisation is highest for marketing mix elements related to product such as product characteristics, brandname, and product positioning. The highest level of differentiation is found in the type of middlemen subsidiaries used to distribute their products and in retail prices. Aydin and Terpstra[20] had reported similar findings in their study.

Not all products studied produce similar findings however. Pharmaceuticals and chemicals are the most highly standardised products, followed by consumer nondurables. It was interesting to note that the lowest level of standardisation is found in electronics and motor vehicle parts and components. These products require more frequent adaptations to local conditions like voltage, channel, road and traffic conditions. The level of marketing standardisation is moderate for food and drink products. However, many managers point out that more standardised products are increasingly transplanted to the Turkish market and are readily accepted, especially by young consumers. Such products benefit from their Western images, like McDonald's, Kentucky Fried Chicken, Diet Pepsi, and Italian Pizza.

As to the conditions under which MNCs standardise their marketing activities, this study showed that MNCs pursue higher levels of standardisation when market conditions are similar among host and parent countries. Thus, the positive relationship posited by Sorenson and Wiechmann[6] between similarity among market conditions and marketing standardisation is supported by the present study. However, this study also found that MNCs standardise their marketing practices despite significant differences in market conditions. This implies that although the level of marketing standardisation is higher when the similarity among parent and host country markets is high, considerable levels of standardisation occur even when market conditions are not very similar.

The present study also reveals that marketing standardisation varies by nationality of the parent and ownership structure of the subsidiary. German and US multinationals included in the sample are more likely to standardise their marketing programmes than the remaining sampled firms. This suggests that American and German MNCs regard global efficiencies enabled by standardisation higher than the benefits of national responsiveness in their operations in Turkey.

Standardisation of marketing programmes varied by subsidiary's ownership pattern as well. Wholly-owned subsidaries have a significantly higher level of standardisation than joint ventures. The lower the foreign capital share in the subsidiary, the lower is the level of standardisation. MNCs with wholly-owned subsidiaries have less problems in transferring products and marketing practices, thus implementing standardised policies is possible.

Subsidiary sales volume is not statistically related to standardisation although those MNCs with higher sales volume tend to utilise more standardised policies. Whether high sales volume in host markets leads to greater centralisation and less autonomy by the multinational is still to be resolved.

A positive relationship is found between the level of standardisation in marketing programmes and the degree of centralisation in marketing decision making. When subsidiaries are largely allowed to make their own marketing decisions, a lower level of standardisation exists. As Daniels[7] pointed out, standardisation cannot occur without centralisation.

In general, this study found that the level of marketing standardisation is highest when:

- market conditions between the host and home countries are similar;
- the firm faces similar competitive and legal environments and retail systems in both markets;
- the target consumer segments are similar;
- the subsidiary sells a product which is at the same stage in its product life cycle as the home market;
- headquarters provides strong directions for marketing decisions.

Furthermore, marketing standardisation is highest in subsidiaries which are:

- wholly-owned,
- German or American, and
- in pharmaceutical and chemical businesses.

Managerial Implications

Whether to standardise or to custom-tailor the marketing practices and programmes has become a critical management task. This decision has to be based on a thorough analysis of environmental, subsidiary and product variables across countries. Their inhibiting or facilitating effects on standardisation have to be taken into account in deciding for appropriate standardisation-adaptation mix as emphasised by Rau and Preble[8]. Technology appears to be driving the global markets toward homogeneity. Worldwide market segments with converging needs and preferences are emerging[33]. Sony Walkmans, McDonald's golden arches, and Casio calculators are seen in markets worldwide. With homogenisation of world demand within global segments, multinationals can no longer expect to sell lesser versions of advanced products in less developed countries (LDCs). Standardisation of marketing policies across the world markets is a guarantee for quality, reliability, and up-to-date technology. Developing international product lines in which a number of standard items are offered will increase both a company's flexibility in catering to a variety of consumer needs and at the same time exploit scale and scope economies[15]. This shows that one-dimensional strategies such as efficiency, responsiveness, or ability to exploit learning are forced to be broadened by integrating all three of these characteristics simultaneously[12]. Hence, for the company of the future standardisation and responsiveness are not mutually exclusive. Computer-aided design, flexible manufacturing systems, and computer-aided manufacturing will be the three critical technologies to achieve this objective.

However, it seems that differences in certain infrastructural variables such as retail structure and system, nature of competition and legislation do not allow MNCs to appropriate the benefits of standardised policies in the Turkish market to the fullest. In general, this study found that MNCs in Turkey implement neither fully standardised, nor differentiated marketing programmes due to different market conditions together with economic and social transformations taking place in the market. Before determining the optimal standarisation versus differentiation mix to be implemented in their marketing programmes and strategies, foreign MNCs require better understanding of the Turkish market.

Implications for Research

This study sheds some light on the standardisation versus differentiation debate in international marketing from the perspective of subsidiary management. Whether company level policies such as headquarters view towards standardisation have a greater impact on the actual level of marketing standardisation than the environmental conditions of the host country remains to be investigated in future studies.

Some significant foreign capital investor countries were not represented fully in this study. Future research comparing US, European, Japanese and Newly Industrialised Country companies could reveal more generalisable results. Also, as suggested by Bartlett and Goshall[12] the practices of global, international, multinational, and transnational companies and industries need to be investigated.

Future research clearly is needed to investigate the effects of market size and sales volume on the level of marketing standardisation. Whether MNCs are standardising their marketing practices to a greater extent in their larger subsidiaries and/or markets still remains to be investigated.

This study looked at a sample of companies which did not represent significant investment commitments. It would be interesting to study the same companies where they have more substantial investments.

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