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MARKETING STANDARDIZATION: TO BE OR NOT TO BE

The article discusses the possibilities for standardizing the marketing programs of Slovenian firms which can open a door to more intensive process of internationalization of firms. The study found that environmental factors, such as political and economic stability, significantly affected the possibilities for standardization enabling firms to improve sales margins. The strategic elements for standardization of the marketing mix, consisting of price, distribution, and promotion, are also substantially significant factor of cost reduction and profit increase. Strategic control over distribution and promotion exercised by Slovenian managers was identified as constraints to standardization. In addition, the ability of firms to standardize the product and market themselves emerged as a separate factor of standardization.

Key words: standardization, marketing, marketing mix, product, price, promotion, distribution, internationalization, factor analysis.

1. Introduction

International marketing is more complex than domestic marketing because of the incidence of more complex variables, such as difficulty in gaining timely information, diversity of geographic locations, strategies, and differences in environmental factors (political, legal, cultural, market, financial processes, etc.). For firms that have not been yet engaged in international marketing, an ongoing

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process of a global orientation identifies potential opportunities for appropriate market expansion, incremental profitability and new ventures by which the firm can exploit its strategic advantages.

Understanding the evolution and growing importance of firms in transitional countries is a critical new research direction for the study of small open economies. In light of this, the primary purpose of the article is to identify the conditions necessary for international standardization of products and services and comparatively in a transitional economy. Therefore the survey of Slovene firms currently engaged in the export marketing of Slovenian products was conducted. The study supports the idea that many of the conditions necessary for international marketing of Western firms are also applicable to firms from the transitional economy, i.e. Slovenia.

There is a considerable body of literature covering the standardization of the marketing mix in the international environment. The hypothesis in the article is that standardization is to be considered as important marketing strategy for increasing international involvement of firms. However, authors have differed in their assessment and assignment of significance to each of the specific factors, which address a variety of situations concerning standardization. The article adds to the existing literature by reinforcing some findings of these authors with respect to the significance of certain factors related to the process of standardization in an emerging economy such as Slovenia.

2. Strategic marketing decisions

International marketing is the process of identifying the goods and services that customers outside the home country want and then providing them at the right price and place. In the international marketplace this process is similar to that carried out at home, but with some important modifications to adapt marketing efforts to the needs of the specific country or geographic location.

International marketing affects and is affected by virtually every other organizational activity. Therefore, it is a critical component of international business success (Burca, Brown and Fletcher, 2004). International marketing strategy should support the company's overall business strategy whether it is differentiation, cost leadership, or focus. For example, if a company follows an overall strategy of differentiation, managers should develop a marketing strategy that differentiates the company's products or services from those of competitors.

Similarly, if a company follows an overall cost leadership strategy, marketing managers should focus on keeping prices and distribution costs low. Finally, if a

company follows an overall focus strategy, managers should adjust the marketing mix to target the needs of the various selected segments. Decisions about whether and how to enter a particular market must also be consistent with the company's overall strategy (Burca, Brown and Fletcher, 2004).

Globalization is a complex phenomenon, contested in terms of its definition, extent and implications, and therefore in terms of the most appropriate response to it (Johnson and Turner, 2003). Globalization affects international marketing activities, industries, and products differently. Some companies create a single product that is marketed identically around the world. Others realize that differences in environments mandate new products, modified ads, or adjusted marketing strategies.

Globalization is transforming the way some products are marketed internationally. Some companies implement a global strategy that uses similar promotional messages and themes to market the same product around the world. Others find that their products require physical changes to suit the tastes of consumers abroad. How do managers decide when marketing strategies need modifying?

U.S. researcher Theodore Levitt argued that because the world is becoming standardized and homogeneous, companies should market the same products in the same way in all countries (Levitt, 1983). Technology, claimed Levitt, causes needs and preferences to converge throughout the world. Companies could reduce production and marketing costs by standardizing the physical features of their products and marketing strategies. Other researchers say that standardization is just one of many strategies to enter the international marketplace successfully. They argue that standardization is not always the best strategy and advise smaller companies to adapt to local cultures while exploiting their unique images to gain local market share.

Consumers in different national markets demand products that reflect their tastes; cultural, political, legal, and economic environments affect consumer preferences and industrial buyers worldwide. Certain products do appeal to practically all cultures. For example, not a traditional Asian drink, a passion for red wine is sweeping Asian markets such as Hong Kong, Singapore, Taiwan, and Thailand. Product standardization is more likely when nations share the same level of economic development. Many years of economic progress have led Indian consumers to pick global brands such as Ford.

In the international marketplace the marketing process is similar to that carried out at home, but with some important modifications to adapt marketing efforts to the needs of the specific country or geographic location. These changes fall into five major areas: market assessment, product decisions, promotion strategies, pricing decisions, and place or distribution strategies.

3. Marketing mix policy

International marketing managers must address four issues: how to develop the company's product(s); how to price those products; how to sell those products; and how to distribute those products to the company's customers. The elements are collectively known as the marketing mix and are also referred to as the four Ps of marketing or seven Ps or even more (Branch, 2001). Compared to their domestic counterparts, international marketing managers face a more complex set of issues and decisions related to the marketing mix (Wall and Rees, 2004).

International marketing managers usually choose among the following approaches when deciding the extent to which to standardize their company's marketing mix: an ethnocentric approach (market products internationally the same way it does domestically), a polycentric approach (customize the marketing mix to meet the needs of each target market), or a geocentric approach (adopt a standardized marketing mix for all markets based on an analysis of customer needs) (Griffin and Pustay, 2005).

The ethnocentric approach is easy to use. However it may not be desirable because sales may be lost as a result of failing to consider the needs of foreign customers. The polycentric approach, while costly, may actually serve to increase a company's revenues because the needs of local customers are being met. Finally, the geocentric approach, because it involves the standardization of the marketing mix, allows a company to sell essentially the same product using essentially the same approach in all of its markets (e.g., Coca Cola).

Most companies fall in the middle of a continuum between standardization and customization, and follow a policy of "think locally, act globally." Standardization of marketing mix implies a centralized organizational design, while customization implies that a decentralized design should be adopted. Various company and country specific factors can affect the decision to standardize or customize the marketing mix.

Some newer aspects on marketing strategy for fundamental components of the marketing mix are discussed by numerous authors usually related to various ways the product, price, promotion and distribution attributes offer to the consumers (Burca, Brown and Fletcher, 2004; Chaney and Martin, 2004; Czinkota, Ronkainen and Moffett, 2005; Daniels, Radebaugh and Sullivan, 2004; Ferraro, 2002; Griffin and Pustay, 2005; Hill, 2005; Hodgetts and Luthans, 2003; Maidment, 2005; Rugman and Hodgetts, 2003; Walker and Walker, 2003; Wall and Rees, 2004; Wild, Wild and Han, 2006).

4. Marketing strategy study

The evolving world of international business is witnessing the emergence of additional players, including firms from the ex-communist European countries. These firms are playing a game of catch-up as they attempt to learn the intricacies of doing business in today's global economy. The speed at which this process is occurring varies across nations. Firms in Slovenia, the Czech Republic, Hungary, and Croatia, for example, are rapidly acquiring the skills necessary to compete on the world stage. These firms have adopted both general approaches to marketing as well as targeted actions, which have been influenced by the local environment. This study discusses the possibility of standardizing marketing programs and the factors influencing the process of cost lessening, as they apply to the case of Slovenian firms.

As the most developed country in the ex-communist world, Slovenia possesses more experience in marketing than its Central and Eastern European counterparts. However, Slovenia is essentially dependent upon international marketing activities because of its small domestic market. As a result, Slovenian firms are intensively exploring the possibility of standardizing marketing programs on a global basis in order to reduce business expenses and to realize further growth.

4.1. Data and methodology

4.1.1. Data sources

A written questionnaire was sent to a random sample of 1230 Slovenian exporting firms, representing approximately 18 percent of all exporting firms in the country. From this sample, 298 responses were received, for a response rate of 24.2 percent. Two (2) respondents were bankrupt firms and were therefore not used in the study. The questionnaires were addressed to general managers or executives involved in making strategic business decisions. All of the twelve (12) questions were of closed type. Five-point and three-point Likert scales were used for the majority of the questions. One (1) question required numerical determination. Some of the respondents were queried by phone when responses were ambiguous or incomplete. Table 1 provides more detailed information about the variables that were included in the statistical analysis.

Table 1

DATA INFORMATION ON VARIABLES

Variable	Scale
Economic stability (ECSTAB)	5 point
Economic development (ECDEVEL)	5 point
Political stability (POLIT)	3 point
Cultural diversity (CULTUR)	3 point
Technological obsolescence in industry (TECHN)	Numeric
Standardization of distribution (STDIST)	5 point
Standardization of promotion (STPROM)	5 point
Standardization of marketing mix (STANMIX)	5 point
Standardization of price (STPRICE)	5 point
Standardization of competitive products (STCOMP)	5 point
Standardization of product (STPROD)	5 point
Standardization of consumers ^a (STCONS)	5 point

Legend: ^a referring to their needs.

4.1.2. Methodology

The statistical package SAS was used to analyze the data. The calculation of Pearson coefficients among the various variables indicated that certain responses were correlated. Principal component analysis with orthogonal rotations was then used to investigate these relationships and examine factors involved in the standardization of marketing mixes. The Varimax method of orthogonal rotation, proposed by Kaiser (1960), made factors as intuitively meaningful as possible. It is considered a disadvantage to choose a rotation subjectively because the analyst may try to force the factor loadings to fit his/her own preconceived hypotheses. Table 2 shows the statistical results based on varimax rotated factor loadings where three factors explain 31.68 percent of variance.

*Table 2*VARIMAX ROTATED FACTOR LOADINGS OF STANDARDIZATION
OF MARKETING MIX

Item	Factor 1	Factor 2	Factor 3
Economic stability (ECSTAB)	0.89519	-0.10238	-0.05853
Economic development (ECDEVEL)	0.86190	0.04976	-0.06690
Political stability (POLIT)	0.86159	-0.04793	0.06466
Cultural diversity (CULTUR)	0.55589	0.22826	0.01302
Technological obsolescence (TECHN)	0.06779	0.04445	0.11982
Standardization of distribution (STDIST)	-0.03273	0.76039	0.18847
Standardization of promotion (STPROM)	-0.02184	0.70121	0.08314
Standardization of marketing mix (STANMIX)	0.09047	0.67827	0.20103
Standardization of price (STPRICE)	0.04148	0.51997	0.04198
Standardization of competitive products (STCOMP)	-0.06787	0.19236	0.78792
Standardization of product (STPROD)	0.13803	0.20848	0.65258
Standardization of consumers (STCONS)	-0.08531	0.24914	0.61757
Eigenvalue	2.725576	2.326269	1.918120
Percent of variance explained	12.39	10.57	8.72
Cumulative percent	12.39	22.96	31.68

Source: The survey.

4.2. Results

On the basis of the statistical findings, an useful model of factors which affect the standardization of the marketing mix for Slovenian firms, can be traced. Based upon the results of the sample firms, it can be reasonably stated that standardization of international marketing mix for Slovenian firms, as a whole, is affected by the following factors: 1.) environment; 2.) strategies of marketing standardization including standardization of price, distribution and promotion; and 3.) strategy of product and market standardization.

4.2.1. Environment

The first factor, environment, in its broadest sense, deals with those elements external to the firm. This factor accounts for 12.39 percent of variance. Global marketing decisions about product, price, promotion, and distribution do not differ from those made in domestic context (Perry 1990). However, the environment within which these decisions are made is unique to each country. Hence differences in environment are a valuable concern affecting the feasibility of standardization (Jain 1989). The more firms learn about local conditions in international markets, the more they are able to perceive the similarities; the more they are able to standardize the marketing mix among markets, the better they perform (Solberg 2002). Findings of the study do not differ from conclusions in traditional literature. Slovenian managers have caught up to their Western counterparts in the sense that they understand environmental factors will inform and shape their marketing strategies. This is a reversal of the situation that existed under communism, when firms often paid more attention to their internal capabilities, but very little attention to the needs of the market. During the communist era, there were many products for which there were no markets and other products where supply never satisfied demand.

Slovenian firms are now pursuing cost-efficient strategies for capturing market share in foreign markets. This process can be facilitated if a firm's approach can be standardized across many markets. The first factor is composed of variables that are integral to the success or failure of the standardization process and prominent in determining the macro-segmentation of the markets (Whitelock 1987; Jain 1989). There were four variables identified within the environment factor: economic stability (ECSTAB), economic development (ECDEVEL), political stability (POLIT), and cultural similarity (CULTUR).

The first variable, economic stability (ECSTAB) is included because the standardization of marketing policy is facilitated by a stable macro-economic situation. To date, Western literature has perhaps reflected its own relatively stable economic condition and tended to play down the significance of economic stability in standardization (Hooley, Beracs and Kolos 1993). However, some authors (Huszagh, Huszagh and Hanks 1992) have found broad linkages between stable macro-economic conditions and strategies for standardization in business enterprises. In the case of Slovenian firms, two-thirds of exports are to countries in the European Union whose domestic economies are stable and whose markets are relatively homogenous. Greater European economic integration has created an environment in which standardized and long-term lasting marketing strategies may be implemented. With Slovenia's integration into the European Union, the significance of the European market to its economic success appears likely to increase. In contrast, exports to once prominent destinations in the former Yugoslavia have

dropped from 50 percent prior to 1991 to less than 21 percent in 2005 as a result of the past conflicts in the region. There are strong impediments to standardization in such an environment. Marketing strategies in the Croatian market, for example, are subject to continuous change as import duties affecting prices are frequently imposed or removed.

Closely related to economic stability is stage of economic development (ECDEVEL). In developed nations, where per capita GNP and demand are high, standardization and its benefits is more easily implemented. More than 80 percent of Slovenian exports (the number slightly varies over time) are to countries that enjoy both economic stability and an advanced level of development. The reduction of tariffs in target developed countries resulted in eased product regulations in target countries, wider availability of profitable ways to ship to foreign developed markets, as well as a decline in currency values relative to that in foreign countries. These are all determinants that affect the standardization of marketing mix (Sullivan and Bauerschmidt 1988). While there must be some adaptation of marketing strategies among these developed nations, there are certain national market characteristics and problems of cultural diversity left over from the past (Dalgic 1992). This adaptation is more prevalent when dealing with markets in developing or emerging economies. In designing marketing strategies for less developed countries, Slovenian managers have found that marketing strategies must be tailored to smaller segments and that these segments are changing and evolving fairly rapidly over time in comparison to those in developed nations' markets. Thus, segmentation, as a concept, is extremely useful in this standardization context (Kreutzer 1988).

Political stability (POLIT) is another variable in this factor. Political developments affect domestic and foreign business along with the strategic elements of the marketing mix (Akhter and Laczniak 1989). Political elements are potentially fragmenting forces of the environment (Kobrin 1988), but will be a contributing factor to a firm's behaviour only when management perceives this uncertainty and considers it to be relevant (Rice 1984). This political aspect is particularly significant in light of the situation in the former Yugoslavia, where it has become difficult or even impossible to market products. Attitudes towards products made in Slovenia are changing in tandem with the political vagaries of the southern regions, further complicating efforts to market Slovenian goods. The focus of Slovenian firms has subsequently shifted to other European markets where competitive marketing strategies based on standardization can be more effective. According to the literature the study showed that interest in standardization of Slovenian export to politically stable and unite markets is identical to interest of firms from EU member countries. These markets are politically stable and offer consistent treatment to Slovenian firms, with only minor aberrations. This study of Slovenian firms was not able to support the idea that the role of political risk

in decision making, referring here to standardization, is less significant than other environmental variables, even in markets perceived to have high levels of political risk (Rice 1984).

The fourth variable, which is somewhat less significant, is cultural similarity between the destination market and Slovenia (CULTUR). The greater the cultural compatibility of the product across the countries in question, the higher the degree of standardization (Jain 1989). Export markets exhibiting a degree of cultural similarity including similarities in corporate culture, are sought after by Slovenian firms. This concordance enables managers in Slovenian firms to standardize promotional activities, distribution strategies, etc. and easily translate domestic marketing programs for the foreign market. These findings are consistent with the findings from studies of firms in other, primarily developed countries. Language is also a consideration; linguistic differences and possible negative connotations may hinder the adoption of a global brand image, forcing greater strategy adaptation (Baalbaki and Malhotra 1993). Because many Slovenians speak German and due to the country's Austro-Hungarian history, it is not surprising that Germany and Austria are among the top export markets for Slovenian products.

We can conclude that the findings in the study do not differ from empirical results in other countries and in the literature. Slovenian managers must follow looking for similarities within international environment so as to increase possibilities for profitable global standardization.

4.2.2. Standardization strategies

The second factor concerns the standardization strategies of marketing mix (STANMIX), which includes the variables: price (STPRICE), distribution (STDIST) and promotion (STPROM). In its entirety, the factor can be described as the "strategies of marketing standardization adopted by managers of Slovenian firms". The product itself is excluded and discussed separately below. Responses to these specific factor questions were very consistent, as evidenced by the relatively high correlation among these components.

As far as the standardization of marketing mix (STANMIX) is concerned, the questionnaire included a question on "marketing mix" as a separate variable. This question was intended to query respondents as to whether or not the marketing mix as a whole was standardized, as opposed to the standardization of separate elements. For example, if the product is the core element of the marketing mix and is standardized, but the other three elements of the marketing mix are adapted, then it might be assumed that the marketing mix is non-standardized. However,

respondents could indicate that the marketing mix in general was in fact standardized in their response. Such a response could be expected when the elements other than product were of secondary meaning.

The results do not indicate a high degree, but rather a moderate degree of marketing mix standardization. In marketing practice, total standardization of marketing mix is difficult to employ (Jain 1989). As noted, differences among the various EU countries regarding culture and language still exist, as do differences in customer preferences. This is why even such countries could not be included in a completely standardized marketing mix (Reichel 1989). It follows that many Slovenian firms are also adapting their marketing approach for specific countries. As seen in the results, all of the variables of the second factor (marketing mix as a whole, price, distribution, and promotion) are correlated, so that changes in or deviations from standardization in one component, such as price, are likely to lead to an adaptation of the other components. In accordance with statistical analysis, it can be assumed that the product will also be standardized for the majority of Slovenian firms.

For Slovenian firms, consistency exists among the elements of the marketing mix unrelated to product. This consistency found in the study indicates same conclusion as in traditional literature, i.e. that firms, which standardize one element of the marketing mix are more likely to standardize others, resulting in a synergy among the elements and a total standardization of the marketing mix and vice-versa (Seifert and Ford 1989). The study therefore suggests that, for Slovenian firms, the standardization strategy for the international marketing mix is largely conditioned by the strategy for product standardization, whereas the strategy of price, distribution and promotion standardization is determined primarily by the degree of strategic standardization of the marketing mix.

The standardization of price (STPRICE) emerged as the most prevalent standardized element of the marketing mix among Slovenian managers. The price variable registered the highest mean value on the Likert scale and was statistically the most often standardized of the three components included in this factor (standard deviation equals 1.33). This is similar to the findings of Seifert and Ford (1989) who observed that American exporters use standardized pricing overseas. Opposite, Michell, Lynch and Alabdali (1998) pointed out for 63 UK multinationals operating in a developing market a non-standardized approach to price what is not consistent with our study and study of Botschen and Hemetsberger (1998). Price considerations may be related to the fact that Slovenian firms ship a majority of their exports to the European Union, which as "one market", is amenable to greater price standardization. Pricing and its standardization were judged to be particularly valuable in Hungary, but less valuable in Bulgaria (Hooley, Beracs and Kolos 1993). It can be speculated that as prices become more uniformed throughout Europe, an increase in promotional expenditures could also be

expected (Daser and Hylton 1991). According to the study, price is not strongly correlated with the distribution and promotional mixes, whereas these latter two variables are strongly correlated with each other. It may be assumed that the standardization of one of these latter two variables is likely to lead to standardization of the remaining member of the pair.

The standardization of distribution (STDIST) is the next variable in this factor. The average score of 2.54 on the five-point Likert scale, where a "1" indicated adaptation and a "5" indicated total standardization of distribution (standard deviation equals 1.32), indicates that Slovenian firms are quite likely to use non-standardized distribution approaches when entering foreign markets. This is in line with the findings of Ozsomer, Bodur and Cavusgil (1991) who found that MNCs in Turkey mostly standardize product-related elements such as brand name and positioning whereas distribution practices are the least standardized elements of the marketing mix. In contrast Botschen and Hemetsberger (1998) concluded for Austrian, German and Italian laddering firms that distribution could be well standardized. We can conclude that distribution channels in the European Union, and other target markets for Slovenian firms, are not perceived to be homogenous, meaning that Slovenian managers adapt to the channels at their disposal. It is clear that the geographic structure and dispersion of the target market, government regulations and laws, and the availability, accessibility and effectiveness of a market's distribution system influence the standardization of the distribution strategy (Baalbaki and Malhotra 1993). This is especially characteristic for Slovenian firms, which are newcomers seeking to penetrate a market. Slovenian managers must find new channels, which have not yet been closed by competitors, and gain control of these channels as they grow in order to increase possibilities to standardize distribution channels. Consistent with our factor analysis the standardization of distribution is significant factor of enhanced standardization enabling Slovenian firms to lower costs and a high export margins.

The final variable in this factor is standardization of the promotional mix (STPROM), consisting of advertising, sales promotion, publicity and personal selling. Advertising strategy can, in accordance with Botschen and Hemetsberger (1998), be standardized to a high degree. In many situations, the standardization of the promotion program is more crucial than the standardization of the technical specifications of the product (Ayal and Zif 1979). In contrast, this variable of the Slovenian study exhibited the lowest mean score of the three components, 2.43 on the five-point Likert scale, where a "1" indicated adaptation and a "5" indicated total standardization of promotion (standard deviation equals 1.23). As is the case in Turkey, certain similarities exist in advertising themes however advertising and the rest of promotion mix used by MNCs are somehow less standardized than other elements of marketing mix (Ozsomer, Bodur and Cavusgil 1991). The low occurrence of promotion standardization may be due to the fact that Slovenian

firms are not well known in Western markets, making it difficult for them to standardize their promotional mix. As a result, they usually adopt a more case-by-case promotional mix, which is country and customer-specific. Even within familiar markets such as the European Union, cultural differences among nations still demand for Slovenian products the tailoring of promotional strategies. In this sense, cultural factors more strongly affect the marketing of culturally sensible products, which are also exported from “foreign” Slovenian firms, thus necessitating local advertising/promotion modification (Sandler and Shani 1992). Based upon results in our study Slovenian firms have still enough space to lower costs and increase export profits by the standardization of promotion, which is significant factor of enhancing standardization.

The study found out that standardization factor “strategies of marketing standardization adopted by managers of Slovenian firms” is similar to strategies of marketing standardization adopted by the most of firms from other countries. The differences to some findings in the literature (Ayal and Zif 1979; Botschen and Hemetsberger 1998; Michell, Lynch and Alabdali 1998) exist because Slovenian products and services, brands and firm images are not worldwide known, making managers in Slovenian firms difficult to standardize a promotional mix and a market channels in a global context.

4.2.3. Strategy of product and market standardization

The third factor is the “strategic standardization of product and market”. Here, the product variable (STPROD) within this factor analysis is treated separately since it is one of the key elements of the marketing mix. This is similar to Jain’s (1989) and later Okechuku’s (1994) findings about the “nature of product”. In the communist era, standardized product innovation and quality were not a high priority for Slovenian producers. Today, this problem is being confronted as Slovenia opens and liberalizes its economy. It is a given that Slovenian firms need products with valued commercial attributes such as quality and technological sophistication if they are to succeed in the demanding markets of developed nations. However, there remains a technology gap in Slovenian firms and a lack of detailed and extensive marketing knowledge among Slovenian managers. In this era, high-technology products require the adaptation of high technology systems comparable to those already in place in the country of one’s competitors (Achumba, Harvey and Rothe 1984). This will determine the extent to which the product must be modified in order to be compatible with and easily integrated into any existing system in the world. This lack of knowledge is an obstacle to the standardization of products in the global marketplace and calls for marketing adaptation

(Katsikeas and Morgan 1994). In this manner, Slovenian firms perceive quality and innovation to be essential for successful export activities. Thus, products need to be more standardized in foreign markets just as was found in the Baalbaki's and Malhotra's research (1993).

According to Levitt (1983), however, common consumer preferences lead inescapably to the standardization of products. If consumer needs (STCONS) are shared across nations and cultures, then managers of Slovenian firms standardize products for these markets. Hooley, Beracs and Kolos (1993), for example, found that a large proportion of Hungarian firms believe their markets to be essentially commodity markets where little adaptation is necessary to meet customers' needs for products and services. The successful standardization of Slovenian products can, in this case, facilitate the standardization of other elements of the promotional mix. However, as previously noted, this study does not imply that Slovenian firms have adopted standardized marketing mix approaches in the majority of situations. Moreover, consumer differences do exist in diverse countries with regard to their perception of consumer needs (Sandler and Shani 1992; Kustin 1993). Rather, when the possibility to standardize exists, it is highly probable that Slovenian firms will pursue standardization of the marketing mix what is consistent with Solberg's (2002) findings of consumer similarities as well.

The final variable for the third factor is the standardization of products by competitors (STCOMP). Slovenian firms generally follow their competitors' lead in standardization. This is in conformity with economic literature that managers need to broaden strategic scope of product standardization and consider international competition even when acting in local markets; for example, in terms of channel choice, the influence of international competition has to be taken into account (Vahlne and Nordström 1988). Successful standardization of a product by competitors acts as an indication that consumer needs can be treated homogeneously to a firm's advantage. Quelch and Hoff (1986) found that firms competing with the same competitors in different markets with similar market shares can standardize products and, in a broader context, marketing programs. The observation and emulation of competitors' strategies is part of a firm's learning process, which Slovenian managers appear pushed to follow. Accepting that Slovenian export firms possess rigid isolating mechanisms, which constrain firms in imitating standardization approaches (Fraser and Hite 1990), and that large market share leads to competitive advantages, there is a clear policy conclusion along Levitt's lines. Namely, a firm should use elements of homogenization in world demand to correspond with its product offering (Kogut 1983).

Slovenian firms' strategy of product and market standardization is so in line with theoretical and empirical answers in the literature. This is due to the fact that strategies of product and market are the core twin standardization strategies, which enable exporting firms in Slovenia to utilize market benefits of standardization.

5. Conclusion

One of the very basic findings in this study concerned the significance of environmental factors. Certain conditions such as economic and political stability greatly enhance the possibilities for standardization and its benefits. The findings in the study do not differ from empirical results in other countries and in the literature. The study suggests that Slovenian managers must follow looking for similarities within international environment so as to increase possibilities for profitable global standardization.

The second most significant factor of standardization studied was the standardization of the marketing mix and its elements of price, distribution, and promotion. The study stressed out that standardization factor "strategies of marketing standardization adopted by managers of Slovenian firms" is similar to strategies of marketing standardization adopted by the most of firms from other countries. The differences to some findings in the literature exist because Slovenian products and services, brands and firm images are not worldwide known, making managers in Slovenian firms difficult to standardize a promotional mix and a market channels in a global context.

Next in significance were strategies for the standardization of product and market. Slovenian firms' strategy of product and market standardization is in line with theoretical and empirical answers in the literature. This is due to the fact that strategies of product and market are the core twin standardization strategies, which enable exporting firms in Slovenia to utilize market benefits of standardization. Both the second and the third factors are very much internal to the firm, and thus reflect the strategies and decision making of managers in Slovenian firms.

One of the interesting findings of the study was that the strategy for standardization of the product emerged as a factor separate from the remaining elements of the marketing mix. This finding points to country-specific effects influencing the international involvement of Slovenian firms. These influences originate in Slovenia's communist past and have evolved under its current economic transition. For example, one economic legacy of communism is the lack of technologically advanced products with well-known brand names. As a result, Slovenian firms lack products with sufficient attractiveness for export and international standardization.

While business strategies are becoming more international in nature, firms seeking to make business in the new and valuable emerging markets still need to heed to the cultural and even historical particularities, which act as an obstacle to global standardization of marketing mixes. Developed countries' firms will need to understand these realities if they wish to succeed in these markets as a certain amount of adaptation to the local market may be necessary.

More research into the problems and processes of global standardization undertaken by firms of emerging economies is required. A study of further internal factors, such as firm size, business experience, resources etc. and its impact on standardization, is needed. This research will generate knowledge of value to all practitioners and particularly from emerging markets in the field of international marketing.

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STANDARDIZACIJA MARKETINGA: BITI ILI NE BITI

Sažetak

U članku su opisane mogućnosti standardizacije marketinškog programa slovenskih tvrtki koja omogućuje intenzivniji proces internacionalizacije. Studija otkriva da faktori okruženja, kao što su politička i ekonomska stabilnost, značajno utječu na mogućnosti standardizacije. Pretpostavka je da standardizacija osigurava poboljšanje prodajnih margina. Strateški elementi standardizacije marketing mixa, koji se sastoji od proizvoda, cijene, promocije i distribucije, značajan su faktor smanjenja troškova i povećanja zarade tvrtki. Strateška kontrola distribucije i promocije ograničujući je faktor standardizacije za slovenske tvrtke. Sposobnost standardizacije proizvoda i tržišta pojavljuje se kao odvojeni faktor standardizacije.

Ključne riječi: standardizacija, marketing, marketing mix, proizvod, cijena, komunikacije, distribucija, internacionalizacija, faktorska analiza.