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Marketing Mix Standardization and Adaptation Activity: Case Study

Nanik Hariyana^{1*}, Hendra Syahputra²
UPN Veterean Jawa Timur¹, Universitas Abdurachman Saleh Situbondo²
nanik.hariyana.ma@upnjatim.ac.id^{1*}; hendrasyahputra@unars.ac.id²

Abstract. Despite the growing importance of international marketing for companies to survive and continue to grow and increase profitability in a rapidly changing environment, researchers are more concerned with issues of domestic knowledge than international marketing. However; several factors (ie economies of scale, competitive strikes, government incentives etc...) lead companies to international markets. In this context, all marketing activities at the domestic level are transformed into international ones. Thus, the concept of the marketing mix has become one of the main focus areas in international marketing research, practice and thought. In this study, we examine the activities of the international marketing mix by conducting a holistic descriptive case study. We found three main findings. First, the price and place elements of the marketing mix are the most customized elements. Second, when product concepts, colors and packaging in the product mix are adjusted, labels and brand names are standardized. Third, the promotion element of the marketing mix is the most standard element.

Keywords: International marketing mix, Adaptation, Standardization, Case studies.

I. Introduction

International marketing mix activities, which involve one or more marketing mix decisions outside the organization's home country, are critical to the prosperity of many business organizations operating in today's highly globalized and competitive economy (Leonidou, Barnes, Spyropoulou and Katsikeas, 2010). In this regard, we see that researchers in the marketing literature emphasize the concept of "international marketing", which refers to the conduct of business activities to adapt and standardize the smooth flow of goods and services to external and consumer changes in more than one country (Ghauri and Cateora, 2011), as a potential framework for overcoming foreign environmental factors and for achieving an organization's strategic targets (Wong and Merriles, 2011). 2007; avuýgil and avuýgil, 2012).

Interestingly, compared to domestic marketing knowledge, it should be noted that international marketing has attracted little attention in marketing journals (Albaum and Peterson, 1984; Douglas and Craig, 1992). However, previous research sought for a better understanding of international marketing because international marketing involves different characteristics than domestic marketing. These can be categorized into two major groups. While the first group evaluates developments in the field in general (Cavuýgil and Nevin, 1981; Albaum and Peterson, 1984; Li and Cavusgil, 1995), the second group focuses on specific aspects of international marketing, such as country of origin effects (Gürhan-Canly and Maheswaran, 2000).), standardization/adaptation of marketing strategies (Chung, Wang and Huang 2012; Alashban, Hayes, Zinkhan and Balazs 2002), effect sizes on international marketing experiments (Wang and Yang, 2008), and exports (Eshghi, 1992; Aaby and Slater, 1989). Through this research, international marketing activities become more systematic and disciplined to take advantage of new market opportunities, to gain prestige and power and to reduce costs.

However, the marketing mix activity in international marketing is more complicated than in domestic marketing because a marketer faces two or more sets of uncontrollable variables that come from different sources. countries (Onkvisit and Shaw, 2009). International marketers have to deal with differences in the foreign environment with the characteristics of the domestic environment. This may involve, for example, differences in tastes, consumer wants and needs, national cultures, economic and technological levels, market structures, ways of doing business, political stability, government policies, laws and regulations. Each of these factors can make a company's international approach to marketing ineffective and counterproductive in foreign markets. In addition, these differences require a careful and planned approach to entering and expanding international markets. While there is help to facilitate this process, marketing managers are responsible for developing efficient marketing approaches in other countries. This requires a better understanding of the differences that must be made compatible with each other (Omar, 2008).

In this sense, there is a growing need for a better understanding of the activities of a company's international marketing mix. Therefore, the purpose of this study is to determine the standardization and adaptation of marketing mix activities by conducting a descriptive case study in the context of an international company. Therefore, we compiled the paper as below. First, we examine the concept of

international marketing. In this section, we show the development and description of the concept of international marketing. Second, we explain the concept of the international marketing mix. Third, we present the results of a descriptive holistic case study. Lastly we present suggestions for future research and practitioners.

II. Literature Review

Marketing

The definition of marketing according to Kotler and Keller (2016: 27) is "marketing is meeting needs profitability", meaning that marketing is something that done to meet every consumer need in a way that benefit all parties. Definition of marketing according to America Marketing Association (AMA) quoted by Kotler and Keller (2016:27) as follows. Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and changing offerings that have value for customers, clients, partners, and society at large. The meaning of this definition is Marketing is an organizational function and a set of processes for create, communicate, deliver and deliver value to customers and manage to customers in a profitable way organization and its shareholders.

Marketing Management

According to the American Marketing Society in the book Kotler and Keller (2016:27) Stating that Marketing management as the art and science of choosing target markets and getting, keeping, and growing customers through creating delivering, and communicating superior customer value. Definition states that marketing management as an art and science in define target markets and acquire, retain and improve customers by delivering, and communicating customer value that superior. According to Suparyanto & Rosad (2015:1) marketing management is the process of analyzing, planning, organizing, and managing programs which includes the conceptualization, pricing, promotion and distribution of products, services and ideas designed to create and maintain profitable exchanges with target markets to achieve goals company.

Marketing Mix

The marketing mix is a strategy of interfering marketing activities, in order to find the maximum combination so that bring satisfactory results (Alma, 2016: 205). The marketing mix consists of consists of four components or called the 4Ps, namely product, price, place and promotion. According to Kotler and Armstrong (2016: 47) Marketing mix covers four (4) main things and can be controlled by the company which includes product, price, place and promotion.

III. Research Method

Methodology and Sampling

We use a single descriptive holistic case study to describe the standardization and adaptation of a firm's international marketing activities following the Yin (2003) procedure. Here, we have focused on the research objective by examining the phenomena more carefully with descriptive case studies (Mills, Durepos and Wiebe, 2010). During the case study, we used a purposive sampling method. The purposive sampling technique is mainly used in qualitative studies and is defined as selecting units (eg, individuals, groups of individuals, organizations) based on specific objectives related to the research study question (Yeddie and Yu, 2007).

In this study, we selected international companies in the furniture sector. The furniture sector is amazing for a growing marketing operation since the last 5 years. Also, the company is a Turkish company which has TURQUALITY1 certificate. We used "international marketing managers" as key informants to avoid response bias. The reason is that other members may have a tendency to distort answers (Koson, Kitchen, Kochen and Stodolosky, 1970). Since managers are directly responsible for the success of international marketing, they can provide more reliable information about international marketing mix activities (Kumar, Stern and Anderson, 1993) and have a "big picture view" of activities (Akgün, Dayan and Benedetto, 2008).

Data Collection

The sample consists of Turkish furniture companies that trade in 65 countries. First, we contacted the company's 5 international marketing managers by telephone and explained the research objectives to them. The marketing manager agreed to work with this research. Their age range is between 27 and 45. The average work experience of the managers is 9 with a range of 4 to 20 years. Then, we conducted 5 in-depth

interviews and face-to-face interviews. The 5 interviews lasted from 60 to 90 minutes, with an average of 75 minutes. All interviews were conducted face-to-face and recorded.

During the interview, we first asked how the internalization process took place. Second, we asked the position of the international marketing department within the overall organizational structure. Since the characteristics of international marketing are different from those of domestic marketing, these activities must be carried out in different departments. Third, we asked which policies were applied to each element of the marketing mix. Furthermore, we think that the overall position of the furniture sector should be studied with environmental analysis for a better understanding of international marketing mix activities. Therefore, we asked about internal and external environmental factors in the industry.

Data Analysis

Since most of the data are in written form and our case studies are descriptive, we used content analysis, which uses a series of procedures to make valid inferences from text to descriptive international marketing mix activities, following Gillham (2000) procedures. The main purpose of using content analysis is to analyze each manager's answers and their reasonableness (Kohlbacher 2006). We (1) present a SWOT analysis of the furniture industry, (2) show the position of the international marketing unit in the overall organizational scheme, (3) record the internationalization process from a managerial perspective, (4) mention the activities of the international marketing mix.

IV. Results and Discussions

Results

Furniture Industry SWOT Analysis in Jember

The managers underlined that reliable information is obtained by conducting detailed internal and external analysis as they handle every activity of the company with a strategic perspective. In particular, they point out that analysis is a roadmap for international activity. Based on the SWOT analysis conducted by the companies (Table 3), managers said that “strengths include product diversity, production and distribution network, geographical position, government support; weaknesses include family businesses, designs, patents, branding, promotional activities and financing; opportunities include Turkey's strategic positioning, new markets and technologies, innovative thinking, increased confidence for Turkish Brands and improvement of population's consumption habits; threats include shortages in energy and forest resources, crises in European Union countries, large-scale production, low-cost production in third world countries, large-scale enterprises and copying.”

Table 1. SWOT Analysis of the Furniture Industry

<p><i>Strengths</i></p> <ul style="list-style-type: none"> ➤ Product variety ➤ Production network ➤ Distribution network ➤ Geographical position ➤ Government support 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> ➤ Family businesses ➤ Design ➤ Patent ➤ Branding ➤ Promotional activities ➤ Financing
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> ➤ Turkey's strategic position ➤ New markets and technologies ➤ Innovative thinking ➤ Increased confidence to Turkish brands ➤ Increased consumption habits of the populations 	<p><i>Threats</i></p> <ul style="list-style-type: none"> ➤ Low-cost production in third world countries ➤ Large scale production (China) ➤ Copying ➤ Crisis in EU countries ➤ Large scale enterprises ➤ Inadequacy in the energy and forest resources

Position Marketing Department

Company Marketing Function

Here are some marketing functions within the company that you rarely know about:

1. Exchange Function

In the world of marketing, consumers can freely choose products that come from any company by exchanging them for money or can exchange products for products that are used themselves or that will be resold.

2. Physical Distribution Function

The product distribution function is carried out by moving the product by transporting and storing the product. Products owned by producers will be distributed to consumers either by land, sea, or air.

In terms of product storage, it is done so that the supply of products is maintained in the market so that there is no shortage when needed by consumers.

3. Intermediary Function

To be able to deliver products to the hands of consumers, a marketing person is the one who will later connect from the producer to the consumer.

4. Other Functions of Marketing

Another function of marketing is not only as an exchange, physical distribution, and intermediary, but there are still other important functions that a marketer has based on marketing management, including the following:

Marketing Sales. The main task of a marketer is to generate sales or sales of products owned by the company, so that the company benefits from every product sold.

Promotional Marketing. Marketing has a duty to introduce a product to the wider community so that the company's products can be known.

Marketing Research and Development. Marketing has the task of finding information on a product that is needed by consumers or developing existing products regarding its advantages and disadvantages, then reporting it all to the company for immediate follow-up.

Marketing Communications. Marketing has a duty to make good relationships between companies and consumers, companies and surrounding communities and companies to parties involved in the business.

Marketing Process

Our interviews show that the company started its activities aimed at the domestic market, then expanded to the international market with interior (human resources,..) and exterior (market opportunities, competition,..) triggers. First, the company seeks information and evaluates the feasibility of exporting. Second, through this information the company enters the international market which has a similar nature to the domestic market. Lastly the company is expanding into different markets as it gains experience. Here, the manager emphasizes that this policy is preferred because it has less risk. Figure 2 shows the internationalization process.



This study seeks to offer a contribution to the international marketing literature by examining marketing mix activities in the context of international companies. Previous research in the marketing literature has noted the activities of the international marketing mix. Most of these studies examine marketing mix activities with theoretical arguments (Grönroos, 1994) and focuses on standardizing or adapting marketing mix strategies (Lariomo and Kontkanen, 2008). In general, this study states that although place, promotion, and price are the more adaptable elements, the product is the most difficult element to adapt (Onkvisit and Shaw, 2009). This study finds that (1) the elements of place and price are more adjusted, (2) the promotion elements are standardized and (3) the product elements are standardized and adapted in international marketing mix activities by adapting a more holistic view. Also, we state that the company applies the Cavusgil Model which is the last model examining the behavioral aspects of the internationalization process (Çavuşgil, 1980; Andersen, 1992). Thus, companies decide to internationalize with proactive triggers such as managerial encouragement, proprietary information, home government

assistance, economies of scale (Kandasaami 2004). Specifically, we examine marketing mix activities which include product, price, place and promotion activities.

First, while previous literature confirmed that products were the most frequently standardized (Onkvisit and Shaw, 2009; Doole and Lowe, 2008), we found that product concepts, colors and packaging were customized, brand names and labels were standardized. In particular, we show that the main causes of adaptation are cultural differences, customer preferences, and market characteristics, but on the other hand, the main cause of standardization is to provide brand recognition and equity. Previous research confirmed this finding (Nguyen, 2011). We also add that distributive costs have an impact on product concept adaptation. To reduce distributive costs, the company does not ship some products (eg armchairs...) to distant countries. When these findings are linked with the results of the SWOT analysis, we can assert that product variety supports product adaptation, and reduces the risk of copying and copying, and branding. failures are tried to be prevented by standardization in brand names and labels. Second, we show that the price element of the marketing mix is an adapted element (Boddewyn and Grosse, 1995). Here it can be seen that the pricing policy is competition-based pricing because competition is very tight, and the differences between competing products are very small (Hinterhuber, 2008). In this sense, product differentiation can be suggested for the company. Indeed, based on the information in the SWOT analysis, the threat posed by brands undertaking low-cost and large-scale production in all three countries of the world is extraordinary. Third, we show that the place element of the marketing mix is an adapted element (Onkvisit and Shaw, 2009). In this study, we also show that the reasons are the nature of the market, product standards and legal legislation, which is consistent with the case study of Nguyen (2011). Also, it can be said that the geographical position - as a strong aspect of the industry - facilitates the adaptation of the place element. Finally, although previous research has shown that the promotional element is more customized than the other elements (Vrontis, 2003; Siraliova and Angelis, 2006), we mentioned that the promotion element of the marketing mix is the most standard element. In fact, the company sends the advertisements it uses in its home market abroad. However, it leads to some drawbacks. Thus, companies can fail to satisfy customers, decide on advertising messages, choose advertising agencies, control advertising costs (Doole and Lowe, 2008).

V. Conclusion

However, there are some methodological limitations in this study. In particular, the generalizability of sampling is a limitation of this study. This study was conducted in a specific national context, Turkish companies in general and Istanbul district in particular. It is important to note that readers should be careful when generalizing the results to different cultural contexts. In this regard, the Turkish sample involving the Istanbul district, as culturally bound to the study, is not a large industrial city in the US, Europe or Asia, etc., imposes some constraints on interpretation, and application of results.

The study was conducted by in-depth interviews with only 5 international marketing managers working in the international firm. The results should be confirmed by reliable surveys, more samples and different sector companies. Also the degree of standardization vs. adaptation of marketing mix activities should be empirically examined.

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