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Abstract

The standardization versus adaptation argument has been raging for years and international marketing research about it has spanned some four decades, attesting to its far-reaching theoretical and practical relevance. The purpose of this paper is to review the literature on this debate. Major theoretical and empirical contributions from companies' and consumers' points of view are presented.

The importance of resolving this issue cannot be underestimated as it has an impact on segmentation in international markets, through identifying, targeting, and positioning vis-à-vis the changing nature of homogeneous versus heterogeneous groups of consumers across markets. The shift of emphasis can be translated by the change from an international to a global strategy. The implications and repercussion of the standardization discussion in terms of segmentation are, consequently, also reviewed.

Europe has provided an especially meaningful scenario for this international marketing controversy. Indeed, the reinforcement of the political and economic integration, resulting in the institution of the European Union in 1992, fostered a renewal of the discussion that had been debated mainly in the context of the internationalization of American companies. Thus a special attention is given to the question of globalization in the context of Europe.

Introduction

If there exists a single issue that has been at the nexus of international marketing research it is the debate about adaptation versus standardization. This debate intensified after Levitt's seminal paper (1983) was published and generated a large body of research with advocates and opponents of the idea that international firms might, or even should, follow uniform marketing strategies in different countries. Indeed, like no other question, the controversy has crossed over from academia to have a major impact on practitioners as well (Shoham, 1995). The debate touches on one of the most fundamental issues in international marketing, namely the polar perspectives of global/standardized versus customized/localized marketing policies in each or across countries (e.g., Walters, 1986; Wang, 1996).

The overwhelming importance of this question is evident in the volume of research produced to date. The debate has inspired many conceptual (Elinder, 1965; Buzzell, 1968; Levitt, 1983; Walters, 1986; Quelch and Hoff, 1986; Onkvisit and Shaw, 1987; Douglas and Wind, 1987; Douglas and Craig, 1989; Yip, 1989; Ohmae, 1989; Jain, 1989; Shoham, 1995; Whitlelock and Pimblett, 1997) and empirical studies (Sorenson and Wiechman, 1975; Boote, 1982/3; Boddedwyn, Soehl and Picard, 1986; Whitelock, 1987; Picard, Boddewyn and Soehl, 1988; Kashani, 1989; Akaah, 1991; Yip, 1991; Hill and James, 1991; Samiee and Roth, 1992; Szymanski, Sundar and Varadarajan, 1993; Baalbaki and Malhotra, 1995; Shoham, 1994, 1996a, 1996b, 1999).

Standardization versus Adaptation

The Controversy Emerges...

Levitt's 1983 controversial article constituted an important landmark but the debate's genesis can be traced to 1965, when Elinder introduced the question in the context of advertising in European countries. He believed (p. 9) that "for consumer industries considering how best to formulate their messages to European consumers, it is more important to take into account trends in European consumption habits than the 'national traits' and 'traditional characteristics'". Buzzell (1968) broadened the scope of the debate, raised the question of whether it was even possible to standardize international marketing, and discussed the benefits of and barriers/obstacles to standardization. While recognizing the difficulties of "the application of common marketing policies in different countries" (p. 102), he concluded that standardization presented universal and important benefits and should be followed by multinationals. Since neither complete standardization nor complete localization were feasible or desirable, he advocated a middle-of-the-road approach, popularly known as "glocalization". He emphasized that the real question was, thus, which elements could or should be standardized and to what degree.

Subsequently, the debate inspired many empirical studies, mostly from companies' perspective. Sorenson and Wiechmann (1975) provided empirical evidence showing how much, when, why, and where multinationals producing consumer packaged goods standardize. They concluded that standardization of programs, though widely practiced, was inappropriate. Process standardization, on the other hand, appeared as the right "vehicle for the international transfer of marketing skills" (p. 53).

Levitt's ground-breaking article (1983) infused the debate with renewed energy. Globalization, a term coined by Levitt, refers to a new commercial reality. As a result of technology, differences in national or regional preferences were gone and "the world's needs and desires have been irrevocably homogenized" (p. 93). Levitt affirmed that he "does not advocate the systematic disregard of local or national differences". Yet, he encouraged companies to "never assume that the customer is a king and knows his wishes" (p. 94) and to "seek sensibly to force suitably standardized products and practices on the entire globe" (p. 102). Levitt's article has been cited by virtually every contribution on this topic. Based on a literal or perceived reading of his paper, positions for/against standardization have been taken.

Understood as a strategic perspective with a world-wide view of markets and competition, the concept of globalization has diffused widely (Sheth, 1986). Consequently, the term "global marketing" replaced "international marketing", signaling a new vision of world markets (Quelch and Hoff, 1986; Douglas and Craig, 1989; Yip, 1989; Sheth and Parvatiyar, 2001), also visible in the proliferation of the use of "global" in practitioners' magazines: global markets, global competition, and global strategy.

Understood as a general tendency, that is, the recognition that differences among consumers were fading (Ohmae, 1989; Yip, 1989), the idea of globalization, while never consensual, was unchallenged until the 1990s with the emergence of the studies of consumer behavior from a cultural perspective (Usunier, 1996; Wierenga, Pruyn and Waarts, 1996; Manrai and Manrai, 1996; Belk, 1996; Costa and Bamossy, 1995; Whitelock and Pimblett, 1997). These developments resulted in conceptual disagreements, with, at times, emotional overtones due to the fact that the concept was used to argue for the application of an identical marketing mix in all firms' markets. Indeed, the author of 'Marketing myopia' has been accused of being myopic (Onkvisit and Shaw, 1987; Barker, 1993). It has been argued that globalization/standardization reflected a product orientation with questionable desirability even when feasible (Douglas and Wind, 1987; Barker, 1993).

Kotler (1986, p. 13) recognized that standardization could be justified in some cases. Yet, he warned that "many of the most notable international product failures have come from a lack of product adaptation" and argued for "several global versions of a new product". He proposed that managers use a planning matrix to evaluate all marketing mix elements (labeling, packaging, materials, colors, name, product features, advertising themes, media and execution, price, and sales promotion) for each target country. Thus, standardization should only be used when feasible. In contrast, documented differences in customers' buying behavior, resources, and decision criteria were drivers for customization.

Glocalization

Lately, a compromise has been advocated – "glocalization". Scholars began to argue for a flexible approach, supporting varying degrees of standardization (e.g., Quelch and Hoff, 1986; Douglas and Wind, 1987; Yip, 1989; Baalbaki and Malhotra, 1995; Wang, 1996). According to Quelch and Hoff (1986, p. 59), the question should not be presented as an "an either/or proposition", but, instead as a spectrum from "tight world coordination on programming details to loose agreement on a product idea". Similarly, Douglas and Wind (1987) rejected the idea that an effective global strategy meant standardization of products and brands; they believed that there was a continuum of options from pure standardization to pure differentiation. Yip (1989, p. 40) argued that "the most successful worldwide strategies find a balance between overglobalizing and underglobalizing".

"Glocalization" represents a contingency approach for resolving the debate. A number of frameworks were proposed for selecting the adequate level of standardization based on different sets of dimensions (Quelch and Hoff, 1986; Rau, 1987; Yip, 1989; Jain, 1989; Wang, 1996; Lages, 2000). Quelch and Hoff (1986) proposed a global marketing planning matrix, a framework to analyze and evaluate firms' level of adaptation or standardization on four dimensions: business functions, products, marketing mix elements, and countries. They pointed out the implementation challenge of global marketing and the need for flexibility. Rather than scale economies as the main driver for global marketing, they emphasized the use of good marketing ideas. Douglas and Wind (1987) examined the key assumptions underlying Levitt´s thesis and the conditions under which globalization was likely to be effective. They acknowledged the existence of some global segments in industrial and consumer markets but saw it as insufficient for pure standardization. They concluded that global standardization was "appropriate only in relation to certain product markets or market segments under certain market environment conditions, and dependent on company objectives and structure" (p. 27).

Yip (1989) shared the opinion that a global strategy requires an integration across countries along several global strategy levers (market participation, product offering, location of value-added activities, marketing approach, and competitive moves). For each, firms could choose along a pure multi-domestic - pure global continuum. The appropriate degree of globalization depends on industry globalization drivers (market, cost, governmental, and competitive drivers). Yet, "more than one type of international strategy can be viable in a given industry" (p. 49).

Jain (1989, p. 71) developed another framework for determining marketing program standardization: "The likelihood of program standardization depends on a variety of factors identified as target market, nature of product, and environment", but total standardization was unviable. Regarding target markets, he considered the standardization decision to be "situation specific", more practical in economically similar markets or in similar segments across different countries. The second factor was market position including the market development stage (the product's position in the product life cycle), differences in market conditions (cultural, economic, and customer perceptions), and competition. The degree of standardization should be higher in markets with similar customer behavior/lifestyle and products' cultural compatibility across countries. Finally, the environment factor included the physical, legal, political, and marketing infrastructure environments – the greater the differences, the lower the degree of standardization.

Shoham (1995) holds that the standardization/adaptation should be the result of a sequence of decision-making steps. Drivers include the convergence/divergence of world markets; the attractiveness of intra- vs. inter-market segments; scale economies' magnitude; and the importance of cultural distance-induced friction. Based on his literature review, he proposed that, in general, these aspects favor adaptation because world markets are diverging, intra-market segments are more attractive than inter-market segments, and friction exists.

Asserting that there was no universal answer to this question, Wang (1996) proposed a contingency framework that considered product, country, and consumer characteristics. The degree of standardization, a standardization → international-niche continuum, would then be contingent on these characteristics. Lages (2000) argued for incorporating the previous year's performance into an adaptation framework. According to him, low past performance enhances adaptation, which, in turn, enhances the current year's performance (see also Lages 1999). Additionally, internal (e.g., competencies) and external factors (e.g., industry characteristics) affect the level of adaptation. Finally, following Jain's (1989) framework, Theodosiou and Katsikeas (2001) found that the higher the similarity of target and home market (on economic conditions, legal environment, customer characteristics, and product life cycle stage), the higher the extent to which firms standardize their export pricing.

Importantly, findings regarding the effectiveness of standardization are mixed (see Shoham 1995 for a review of this literature) lending support to the contingency, "glocalization" approach, which might explain the reduction in research attention to the controversy over the last few years. However, the issue seems to have resurfaced lately. For example, Raymond, Kim, and Shao (2001) reported that, except for one measure of performance (profits) for one of two country samples (US), for which adaptation enhanced performance, its impact was not significant. Similarly, Albaum and Tse (2001) found the level of adaptation of all four marketing mix variables to not impact performance for any of its measures, lending further support to the contingency perspective.

A recent 2002 issue of the *Journal of Global Marketing* (Volume 16, Numbers 1/2) included three papers devoted to the relationship between standardization/adaptation and international performance. Waheeduzzaman and Dube (2002) find evidence for a positive impact of standardization of promotion, product, and distribution for return on sales, sales growth, or both. A possible explanation for their findings is that they used a small sample, composed exclusively of large, Fortune-500 firms, which tend to standardize their strategy because most of the advantages of standardization accrue to larger firms. However, Chung (2002) reported that, for the most part, standardization/adaptation levels did not affect international performance and, when they did, adaptation of the product strategy enhanced profitability. Moreover, a meta-analysis reported in the same issue (Shoham, 2002) found that adaptation of product and distribution positively impact performance, whereas adaptation of price and promotion had an insignificant impact, thus corroborating Shoham's earlier theoretical arguments and empirical findings (Shoham, 1994, 1996a, 1996b, 1999).

In sum, these contributions enhanced our understanding about the extent to which companies should and, in fact, do standardize their marketing practices. Table 1 summarizes studies at the firm level and their major conclusions. Taken together, these studies suggest that standardization depends on diverse marketing and other factors. However, it appears that the preponderance of the empirical evidence substantiates the superiority of adaptation over standardization. It may be that previous research has disregarded or has paid insufficient attention to intervening variables. Further contingency-based research is needed to identify possible moderators and mediators of the standardization → performance link. Alternatively, the crucial assumption of proponents of standardization, namely that consumers have been converging, is inaccurate, an issue we visit in the next section of this article.

[Insert Table 1 about here]

Globalization at the Consumer Level

The debate reviewed above suggests that the two extreme viewpoints rest on opposite assumptions about the strength/importance of consumer differences. An increasing worldwide homogenization of customer needs and interests is a crucial assumption of standardization advocates (Douglas and Wind, 1987). In fact, "insofar as market heterogeneity at the cultural, economic and other levels is seen to be small or on the decline, the standardization becomes more attractive and feasible" (Walters, 1986, p. 56). Although there has been no agreement on what constitutes consumer homogenization and on which dimensions it was a reality, consumers' convergence has been considered a critical condition for the viability of a global strategy. For example, convergence of world markets was the first building block of the standardization in Shoham's framework (1995).

Elinder (1965; p. 9) viewed the question "the European consumer – does he really exist?" optimistically. However, his optimism has not been substantiated in empirical studies, which profiled and compared consumers to determine cross-national differences. Green and Langeard (1975) compared consumer habits and innovativeness in the US and France and found several differences, attributed to social and environmental factors. They emphasized the need "to achieve a better understanding of the relationships between buyer behavior and environmental forces" (p. 41). Based on numerous surveys, Dunn (1976, p. 56) claimed that "there is indeed a resurgence of national identity in Western Europe". Similarly, in a study profiling cross-national female lifestyles, Douglas and Urban (1977) argued for a need for alternative international segmentation and Walters (1986, pp. 60-1) argued that "there is little evidence that the age of the international or even European consumer has finally dawned".

However, the idea that similarities outweighed the differences (from an international marketing perspective) gained momentum after Levitt's contribution. Proponents of a Levitt's approach believed that consumers were converging and that all would prefer global "goods of the best quality and reliability at the lowest price" (Levitt, 1983, p. 93). Thus, while cross-country differences exist, from a marketing management point of view, firms should overlook them. While seeing Levitt's argument as "forceful", Yip (1989, p. 31) agreed that there is a "growing similarity of what citizens of different countries want to buy". Ohmae (1989, pp. 153-4) argued that geographic borders no longer mattered, at least for financial/industrial markets. "People become genuinely global consumers…global citizens".

In sum, numerous studies have been conducted to ascertain the degree of consumer convergence, summarized in Table 2. Most of these studies highlighted differences among consumers, except for a few specific consumer segments. Thus, international studies of consumer behavior pointed to the relevance of adaptation, rather than standardization.

[Insert Table 2 about here]

International Segmentation

The issue of convergence becomes especially crucial when combined with segmentation. Consequently, alongside the standardization debate, segmentation gained a new meaning in international marketing. Consensus emerged that the answer to the debate must account for this concept. The point is not the existence of consumer homogeneity in general, but the emergence of specific inter-market global segments of consumers, sharing patterns of preferences and behavior across borders (Douglas and Wind, 1987; Jain, 1989; Onkvisit and Shaw, 1994; Hassan and Katsanis, 1991; Baalbaki and Malhotra, 1993).

Global Segments

The existence of global segments is a requisite condition for standardization (Douglas and Wind 1987; Jain 1989). This shifted the emphasis to a search for frameworks allowing the systematic identification of such segments (Kale and Sudharshan, 1987; Kreutzer, 1988; Baalbaki and Malhotra, 1993). Levitt (1983, p. 94) pointed out the existence of a 'world-segment' for whom low-price and high-quality would be common buying criteria and reckoned that even "small local segments have their global equivalents everywhere". These provide a beginning for identifying global segments (Hassan and Katsanis, 1991).

Quelch and Hoff (1986) identified young people, travelers, and ego-driven consumers as less culture-bound segments and thus, potentially global. Douglas and Craig (1989, p. 67) viewed markets "as a set of interrelated, independent entities which are becoming increasingly integrated and interlinked worldwide" and recognized that regional/global segments for industrial and consumer products were emerging. Hassan and Katsanis (1991, pp. 140-1) shared the view that consumption trends in global markets contributed to a global acceptance of some consumer products and presented two global market segments: "global elite", "composed of consumers aspiring to an 'elite life-style'" and "global teenagers", "young consumers whose cultural norms have not become ingrained, and who can share universal needs, wants and fantasies". In fact, teenagers, green consumers, yuppies and elite consumers have been the most commonly considered converging global segments (Quelch and Hoff, 1986; Hassan and Katsanis, 1991; Hassan and Samli, 1994; Dawar and Parker, 1994).

Global Segmentation

Segmentation is defined as the process of dividing a heterogeneous market into homogeneous groups of consumers that require distinct marketing mixes (Kotler and Armstrong, 1994). As such, segmentation is at the core of the marketing concept and is the basis for the development of marketing strategy (Kale and Sudharshan, 1987). Traditionally, international segmentation starts with a choice of countries to enter as firms internationalize. Macro-variables such as economic, demographic, political, and geographic indicators are used to identify potential markets (Day, Fox and Huszagh, 1988; Malhotra et. al., 1992; Nachum, 1994). Dichter (1962, p. 114), for example, used the degree of development of the middle class to segment world consumers into six groups of nations, "in an effort to define and interpret the economic and psychological differences among world customers". Thus, countries, not consumers, were the basis of segmentation. This approach for market selection and development has the disadvantage that "within country heterogeneity between consumers is totally ignored, and misleading national stereotyping is encouraged" (Kale and Sudharshan, 1987, p. 61). Similarities between consumers across countries are ignored and the existence of market segments that transcend national boundaries is neglected.

Within the globalization discussion, a perspective emerged that identifying global segments was an important issue. Country-by-country segmentation was deemed inadequate since it did not allow the identification of segments that transcended national borders (Hassan and Samli, 1994). Thus, advocates of globalization proposed that effective international segmentation meant identifying global segments (ter Hofstede, Steenkamp and Wedel, 1999). This shifted the process from intra- to inter-market segmentation and was presented as the resolution for the standardization/customization debate. The objective was to identify "specific segments, whether they be country groups or individual consumer groups, of potential customers with homogeneous attributes who are likely to exhibit similar buying behavior" (Hassan and Katsanis, 1991, p. 138). This could solve the "standardize/customize" dilemma. By standardizing for similar segments across countries, firms could simultaneously capitalize on the advantages of standardization *and* adaptation (Kale and Sudharshan, 1987; Ohmae, 1989; Baalbaki and Malhotra, 1993; Onkvisit and Shaw, 1994). Inter-market segmentation would then be a basis for global marketing (Hassan and Blackwell, 1994).

Early attempts to identify transnational segments involved values. Psychographic, cross-cultural, and trait-segmentation research began in the 1970s with a primary objective of evaluating the potential for standardized European advertising (Boote, 1982/3). Kale and Sudharshan's model (1987) capitalized on similarities across groups of consumers in different countries and resulted in a product class specific framework for identifying strategically equivalent segments. Their objective was to group worldwide consumers that respond to the firms' marketing mix similarly. The process they advocated begins with the identification of *qualifying dimensions*, commonly used international segmentation bases to screen an initial list of countries. Then, using appropriate *determining dimensions*, micro-segments can be identified in each country, used to from country-clusters of strategically equivalent segments.

Kreutzer (1988) proposed a two-step segmentation process in search of a standardized approach. First, countries were segmented on variables deemed important for standardization. These included technological (media, the distribution system, technological development, and infrastructure); ecological (provision of resources, climatic conditions, and topography); socio-cultural (education, linguistic habits, religion, and culture); economical criteria (market volume and potential, purchasing power, economic development, and competitive situation); and political-legal criteria (legal restrictions and competition/commercial laws). The identification of countries that fulfilled these conditions was followed by a second stage in which homogeneous target groups are formed trans-nationally.

Baalbaki and Malhotra (1993) proposed that marketing management (product, price, promotion, and distribution) and environment variables (geographical, political, economic, and cultural) should be used for international market segmentation. Incorporating marketing management bases, which directly impact international marketing strategy, would contribute to the identification of segments that could be targeted with a uniform marketing strategy.

Euro-Marketing and the Euro-Consumer

Standardization across transnational segments is more viable for economically similar markets (Jain, 1989). Europe and the EU provide such a context (Table 3). The EU has undergone a harmonization process to achieve a unified market and convergence across a many aspects. This "puts the concept of standardization of international marketing to a regional test" (Jain and Ryans, 1994, p. 288), making the EU an important context for testing the viability of standardization (Reichel, 1989). European countries have deep-rooted historical identities. Yet, standardization has been promoted due to increasing consumer mobility, cross-border flow of information, and the reinforcement of the political and economic integration (Chadraba and Czepiec, 1988; Reichel, 1989; Quelch and Buzzell, 1989; Guido, 1991). Thus, "in Europe, choosing between standardization or customization is particularly difficult" (Chadraba and Czepiec, 1988, p. 64).

[Insert Table 3 about here]

In general, trading blocs increase consumer similarity (Vandermerwe and L'Huillier, 1989; Quelch and Buzzell, 1989). Thus, the 1992 emergence of the EU renewed interest in consumer convergence. Vandermerwe and L'Huillier (1989, pp. 35-6) argued that "Euro-consumers are likely to become more similar in their needs for products and services". Yet, it does not necessarily follow that all unique aspects of national consumer behavior would disappear. They concluded: "instead of one homogeneous mass market or a collection of small specialized markets, the most likely outcome is that new Euro-consumer clusters will emerge". Such clusters group consumers with similar needs, lifestyles, purchase behavior, and psychographics in some geographical area, but cut across national borders.

Quelch and Buzzell (1989, p. 66) anticipated that customer behavior, marketing policies, and organizational design would undergo major changes. These would result from the 1992 reforms and the publicity surrounding them, increased consumer mobility, and the snowball effect of standardized marketing practices. "As marketers focus on the similarities rather than the differences among European consumers, they will market to Europeans as if they were more alike; as a result, eventually European consumers will become more alike". Receptivity to ideas, products, and services from member countries would likely increase and a melting-pot effect on consumer behavior was likely.

However, the view that the EU could be treated as uniform generated skepticism as well (Malhotra et. al., 1992; Sherlock, 1995). This view was characterized as supply-driven (Guido, 1991; Jain and Ryans, 1994), which would "make individual countries more accessible, not more identical" (Quelch and Buzzell, 1989, p. 64). Additionally, doubts were expressed about the future emergence of a homogeneous European culture (Reichel, 1989;

Vincze and McNeill, 1994; Kale, 1995). Malhotra et. al. (1992, p. 87) contended that "we will witness most probably a paradox: the emergence of a limited and at first, somewhat superficial European identity among consumers overlaid on top of an abiding set of socialized national and local cultural norms". Political and economic harmonization might reinforce social and cultural boundaries thus making consumer uniformity the single most important factor affecting the decision on European-wide marketing (Jain and Ryans, 1993). In fact, "Europeans don't consider themselves to be 'European'. They are Italian, German, Greek, etc." (Caudron, 1994, p. 28). Wierenga, Pruyn and Waarts (1996, p. 56) analyzed multi-Euro-country consumer (expenditure/consumption, household appliance ownership, and values) and marketing infrastructure (retailing, media, and advertising environment) data and concluded that major differences issues remained. Acknowledging that previous unification processes enhanced homogenization, counter-movements had also occurred. This would be a "kind of dialectic process", in which "as a reaction to the decreasing emphasis on national differences in Europe, regional differences probably become more important".

Several approaches to segmenting European markets have been offered. Chadraba and Czepiec (1988) proposed using perceived product value as a segmentation variable. Their study revealed common value perceptions among product owners, supporting the feasibility of this variable as a segmentation tool. Vandermerwe and L'Huillier (1989) used cultural, geographic, and economic variables to define six "Euro-consumer clusters". Similarly, Malhotra et. al. (1992) used subjective marketing and non-marketing variables obtained form experts, in addition to economic, geographic, cultural and political variables, to cluster EC- and non-EC-members countries into three segments. Finally, Kale (1995) used Hofstede's cultural dimensions to segment 17 European countries into three segments.

In sum, our discussion documents that the EU has been a preferred context for addressing the globalization controversy. Some believe that "there is more convergence than divergence between nations" (Leeflang and Van Raaij, 1995, pp. 373-4) and that "Euromaketing is the name of the game of the future" (p. 386). While the appeal of standardization is recognized in the progressively integrated EU, the permanent and insistent nature of national cultures is seen as an obstacle to the effective pursuit of such approach.

SUMMARY

The globalization → consumer behavior convergence → standardization → performance model has generated a heated, four-decade controversy in international marketing. While crucial for marketing elements, such as advertising and branding, the controversy's resolution is important for all aspects of marketing. Identifying the conditions that enable the implementation of a global strategy has become a central objective of many articles reviewed here. Importantly, our review parallels Theodosiou and Leonidou's recent paper (2003), which reviews articles about the extent to which elements of the marketing mix are standardized and the impact of such standardization on performance. They summarized (p. 166):

> Our review has amply demonstrated that research on the subject is characterized by the adoption of inappropriate conceptualizations, inadequate research designs, and weak analytical techniques, that were largely responsible for the generation of non-significant, contradictory, and, to some extent, confusing findings. Hence, the underlying question concerning which strategic option, standardization or adaptation, is the most suitable for the international firm remains and essentially unresolved and inconclusive issue.

It may well be that the issues and conclusions discussed by Theodosiou and Leonidou's (2003) and in our review are due to insufficient attention to the impact of culture on consumer behavior. International marketing has witnessed a shift of emphasis from "understanding and explaining between-country differences to identifying transnational similarities" (Sheth and Parvatiyar, 2001, p. 16). The focus on similarities has been predominant in the debate reviewed here. While the reviewed literature has provided valuable insights about some aspects of consumer behavior and subsequent strategy implications for international companies, it has inadequately addressed some other important issues. Perhaps the most important of these is the resilience and profound impact of culture on consumer behavior. Our discussion of standardization in the context of the EU fully illustrates the importance of culture. In fact, the EU "is the closet parallel to the 'new global reality' espoused by Ted Levitt (1983) and Kenichi Omahae (1989)" (Kale, 1995, p. 46). Yet, doubts about the emergence of a European culture have persisted and an analysis of macro-environmental country characteristics over 28 years found that developed countries were *diverging* rather than converging (Craig, Douglas and Grein, 1992). It has been acknowledged that even at the national level divergence among segments was increasing, not the opposite (Whitelock and Pimblett, 1997). Interestingly, Levitt, often quoted for his strong standardization emphasis, did in fact acknowledge the opposite option, namely that the globalization trend coexists with the opposite reality of heterogeneity, fragmentation, and parochialism. He summarized: "the more powerfully homogenized and relentlessly globalized the world's communications and commerce get, the more varied its products and more numerous its consuming segments seem to become" (Levitt, 1988, pp. 8).

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Table 1: Empirical Studies – Companies

ARTICLE	STUDY DETAILS	MAIN CONCLUSIONS
Sorenson & Wiechmann, (1975)	Interviews with 100 executives from 27 MNCs; consumer goods	High propensity to standardize all or parts of marketing programs
Boddewyn, Soehl & Picard, (1986)	Mail survey	"Levitt is partly vindicated"
Martenson (1987)	Case study	Cultural values diminish in importance when price differences between alternatives become significant
Whitelock (1987)	10 UK exporters. Interviews/surveys	Firms that followed a program of some modification had the highest exports
Daniels (1987)	European regional offices of 16 large US companies	Companies continue to operate with varying degrees of standardization and centralization.
Hite & Fraser (1988)	Mail questionnaire to 418 large firms conducting international trade	Most firms advertise internationally and use a combination strategy of standardizing some portions of advertising or localizing advertising for some foreign markets
Picard, Boddewyn, & Soehl, (1988)	Longitudinal; mail survey	Higher standardization for consumer-good marketing policies. Industrial goods displayed a greater degree of adaptation than expected.
Kashani (1989)	17 cases of marketing standardization	Some markets are globalizing, but there are failures that are not broadcasted
Akaah (1991)	Survey of 500 firms with overseas operations	Low standardization; consumer characteristics/behavior, nature of ownership and corporate orientation affect standardization
Hill & James (1991)	Mail questionnaire; consumer non-durables US firms operating in foreign countries	Considerable subsidiary power over product strategy. Most MNCs in the sample are not habitual sharers of promotional ideas
Mueller (1991)	Content analysis of international advertisements	Use of standardized advertising more common for transferences between western markets than between western/eastern markets
Samiee and Roth (1992)	Field survey of units competing in global industries	No performance differences between companies standardizing and those not standardizing
Sandler & Shani, (1992)	Survey of brand managers in Canada	Independence of brand and advertising standardization practices
Szymanski, Sundar, & Varadarajan, (1993)	PIMS database	Merits of standardizing the resource mix across Western markets and strategy/ market structure variables that affect performance

Harris (1994)	Questionnaire survey Interview program	The practice of modified or partial forms of standardization is widespread and that the practice of total standardization is rare
Baalbaki & Malhotra (1995)	Survey of international marketing managers	Fully standardized marketing not appropriate. Product-related variables have the largest impact on the degree of standardization
Shoham (1994)	Mail survey; Denmark	Transference of marketing activities is, for the most part, related negatively with export performance
Shoham (1996b)	Mail survey; USA	Standardization decisions should be made with caution: price, salesforce management, advertising contents, and the number of product lines should be adapted; other product, place, and promotion budgets can be standardized
Shoham (1999)	Mail survey; Israel	Positive impact of product and promotion adaptation on export performance. Positive impact of pricing and distribution standardization on performance
Raymond, Kim, & Shao (2001)	Mail survey; Hong Kong and the US	Adaptation had no impact, except for one profit outcome, for which it was positive
Albaum & Tse (2001)	Mail survey; Hong Kong	No standardization-performance relationships
Waheeduzzaman & Dube (2002)	Mail survey, Fortune 500 US firms	Standardization enhances performance
Chung (2002)	Mail survey; Australia and New Zealand	Product adaptation enhances performance
Shoham (2002)	Meta-analysis	Positive impact product and distribution adaptation on export performance. Insignificant impact of price and promotion

Table 2: Empirical Studies – Consumers

ARTICLE	STUDY	MAIN CONCLUSIONS
Engledow, Thorelli, & Becker (1975)	Subscribers to and users of product samples in US and German magazines	There exists a homogeneous cross-cultural elite of affluent and information-sensitive consumers
Green & Langeard (1975)	Questionnaire in France and the US	Behavior/innovator characteristics of the samples differed
Dunn (1976)	Survey; Western Europe	Resurgence of national identity in Western Europe
Douglas & Urban (1977)	France, the UK, and the US	The differentiating factor is the degree to which women adhere to traditional cultural norms concerning homemaking role
Green, et. al. (1983)	Gabon, Venezuela, France, Netherlands, and the US	Relationship between marital roles and societal development
Huszagh, Fox, & Day (1986)	Penetration/expenditures for 27 consumer products in similar countries to assess if product perceptions explain acceptance	Substitutability, enhanced by essentialness, may explain globalization products potential
Chadraba & Czepiec (1988)	Value of five consumer goods and 12 unavailable product improvements	Similarities among nations exist and may be useful for designing regional marketing strategies
Crawford, Garland, & Ganesh (1988)	1,112 respondents; two developed and two developing countries. Questionnaire on attitudes toward foreign products	There is an inter-market pro-trade segment; consumers in developed and developing nations differ
Zaichkoski & Sood (1989)	Students in 15 countries	Differences in use/ involvement of the selected "global" products
Verhage, Dahringer & Cundiff (1989)	Energy conservation behavior and attitudes of consumers in the US, France, and Norway	A single global marketing strategy cannot be justified in the case of energy conservation products
Jacobs et. al. (1991)	Luscher color test. PRC, Korea, Japan, and the US	Some but not all colors show cross-cultural consistency.
Kustin (1993)	Mall intercept in Israel and Australia	Different perceptions of a consumer non-durable product
Dawar & Parker (1994)	Survey of MBA students from 38 nationalities	Brand, price, retailer reputation, and product appearance are used as signs of quality similarly for a segment of consumers
Shoham (1996)	Field study: Three commercials – a standardized, a semi-standardized and an adapted commercial in Israel	Effectiveness was highest the more adapted the commercial

Table 3: EU-Related Contributions

ARTICLE	NATURE OF ARTICLE	MAIN CONCLUSIONS
Chadraba & Czepiec (1988)	Empirical	Across-nations similarity in perceived product value supports uniform regional marketing strategies
Reichel (1989)	Theoretical	Country-specific adaptation of marketing to consumers' preferences in individual EC countries is still necessary
Quelch & Buzzell (1989)	Theoretical	1992 reforms hold implications for market structure, marketing program design, and marketing organization
Guido (1991)	Theoretical	Marketing standardization is possible in a pan-European approach, restricted by the type of product in relation to market clusters and common market segmentation
Yip (1991)	Empirical	Single market benefits may not be available short-term due to permanence of differences of integrating markets
Malhotra et. al. (1992)	Empirical	Objective and subjective marketing-based and subjective non-marketing-based data indicated that the EC should be described as heterogeneous with 3 distinct segments
Ronkainen (1993)	Theoretical	Global free trade will be an opportunity for global firms
McLauchlin (1993)	Theoretical	Marketers must find ways of promoting their products while recognizing enduring European taste differences
Vincze & McNeill (1994)	Theoretical	Post-92 EU will remain heterogeneous
Caudron (1994)	Conceptual	Euro-consumer clusters are emerging
Jain & Ryans (1994)	Theoretical	Framework for assessing marketing strategy implications of Europe 1992
Sherlock (1995)	Theoretical	Can we treat the EU as a true single market? The answer is: 'well, it depends, but probably not'
Leeflang & Van Raaij (1995)	Theoretical	EU nations converge to a more similar macro-marketing environment requiring Euro-marketing
Kale (1995)	Empirical	Based on Hofstede's dimensions, 17 European countries are clustered into three segments
Wierenga, Pruyn, & Waarts (1996)	Empirical	One standardized marketing approach for the EU is still impossible for most firms
Lages (1999; 2000)	Empirical and theoretical	Past performance enhances adaptation, which enhances current performance
Theodosiou & Katsikeas (2001)	Empirical	The higher the markets' similarity the higher the adaptation