International marketing strategy in the Spanish SMEs context

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Abstract

For several decades academics and practitioners have debated the standardisation versus adaptation of the international marketing strategy in relationship with export performance, without reaching a universal agreement. This paper, based on a contingency perspective of the standardisation/adaptation debate, investigates whether the degree of standardisation/adaptation of the overall international marketing strategy influences the export performance (measured objectively) and the satisfaction with export performance in Spanish SMEs, taking into account the moderating effect of three internal and external variables. The findings reveal that successful export performance can be achieved by employing either a more standardised or a more adapted overall level of the international marketing strategy, this relationship being moderated by the size of the firm, the technological intensity of the industry and the environmental factors. The authors draw several concluding remarks highlighting the contributions, implications and limitations of the study before discussing future research directions regarding this challenging strategic issue.

Key Words: International marketing strategy, standardisation-adaptation, export performance, SMEs, Spain.

1. Introduction

The decision concerned with the standardisation versus adaptation of the international marketing strategy, which ultimately may determine export performance, has been, is and will be a research area of increasing interest for both academics as well as practitioners (Rosenbloom, Larsen, & Mehta, 1997; Viswanathan & Dickson, 2007), generally being seen as one of the most relevant marketing topics for the twenty-first century (Kahn, 1998).

For several decades, the standardisation versus adaptation of the international marketing strategy has been subject to numerous controversial debates, however, without reaching a general agreement. A recent review of the most representative studies in this field of research suggests that there is still a pressing need for more empirical investigations on this topic (Theodosiou & Leonidou, 2003). Furthermore, in spite of its relevance, the potential relationship established between the standardisation/adaptation of the international marketing strategy and the subsequent export performance has received limited attention in the literature and remains unresolved (Abaum & Tse, 2001; Gómez & Valenzuela, 2005; Katsikeas, Samiee, & Theodosiou, 2006; Kotabe & Omura, 1989; Özsomer & Prussia, 2000; Shoham & Albaum, 1994; Shoham, 1999; Theodosiou & Leonidou, 2003; Zou, Andrus, & Norvell, 1997). Also, traditional approaches in international marketing have tended to focus on the influence of the standardisation/adaptation strategy of a particular marketing mix element, generally either product or promotion on export performance while the impact of price and distribution standardisation/adaptation has been relatively ignored (Lages, 2000; Theodosiou & Leonidou, 2003). However, it has also been frequently emphasised that internal coherence should exist between the international marketing mix elements and policies, thus revealing the importance of investigating the overall international

marketing strategy in relationship with export performance (Czinkota & Ronkainen, 2002; Kotabe, 2003; Rialp & Rialp, 2007).

Small and medium-sized enterprises (SMEs) play a crucial role for economic activity, employment, innovation and wealth creation in many countries (Acs et al., 1997; Katsikeas, Bell, & Morgan, 1998). Improving the international contributions of the small business sector is widely considered as an increasingly important policy priority and the focus of public policy support in many countries. However, approximately two-thirds of the studies that investigated the international marketing strategy analyse the foreign subsidiaries of multinational corporations (MNCs), whereas only a third was dedicated to the standardisation/adaptation of exporting firms, in general (Theodosiou & Leonidou, 2003).

The European Union (EU) is the world's largest exporter of goods (Lages & Montgomery, 2004). Nevertheless, there is a certain need for research to pay attention to European SMEs, as most research on the international activity of the firm has been carried out with firms based outside the European Union (apart from the United Kingdom), especially North American companies (Calantone et al., 2006; Lado, Martínez, & Valenzuela, 2004; Theodosiou & Leonidou, 2003). In this context, Spain represents one of the European economic settings which received limited research attention in the export centred literature (Suárez & Álamo, 2005). Similar to many other EU countries, Spain's economic growth is dependent on the results of the export activity. Merchandise and commercial service exports have gradually increased after Spain joined the European Union, in 1986, and have also been stimulated by the European Monetary Union, 2001. Currently, the Spanish economy presents a degree of international openness of approximately 65%, measured as the ratio between the volume of the exports and the gross domestic product (GDP) (Lucio et al., 2008) and ranked

seventh for merchandise exports and fifth for commercial services among the EU countries, in 2005 (WTO 2006). All together, these characteristics demonstrate that Spanish firms are strongly motivated to pursue and improve their international activity, thus the topic related to the international marketing strategy and its potential impact on export success becomes essentially relevant in this context.

Taking into account the above mentioned, the purpose of the study is to examine, in Spanish SMEs, whether the standardisation/adaptation of the overall international marketing strategy influences objective export performance and satisfaction with export performance, at the same time investigating how this relationship is moderated by certain internal and external factors. To this aim, the study is organised as follows: first the theoretical background is discussed. Next, a literature review on the relationship between the standardisation/adaptation of the international marketing mix elements and export performance is provided, also displaying three internal and external variables which may act as moderators; consequently, the conceptual model and the research hypotheses are proposed. A method section describes the data collection process and measures utilised. Then, the results are presented and discussed. Finally, conclusions are drawn, and a review of the implications for academia and practitioners, limitations of the study and directions for future research are provided.

2. Theoretical background

As previously mentioned, a fundamental issue in international marketing, debated for several decades, is concerned with the desirability and feasibility of standardisation or adaptation of the export marketing strategy with the aim of maximising export performance. A comprehensive review of the pertinent literature in the international marketing field of research identifies three perspectives related to the standardisation versus adaptation dilemma: the two extreme opposites of complete adaptation versus

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complete standardisation and the "middle of the road", or contingency perspective (Agrawal, 1995; Lemak & Arunthanes, 1997; Roper, 2005; Theodosiou & Katsikeas, 2001; Vrontis, 2003). In a general sense, these three perspectives stress the following ideas: a) the total standardisation perspective places emphasis on the tendency towards the homogenization of markets and buyer behaviour and the substantial benefits of standardisation; b) the total adaptation perspective highlights the persistent differences between nations and the competitive and regulatory necessity to customize marketing strategy to individual markets; and c) the contingency perspective allows for various degrees of standardisation which are contingent on the internal organisational characteristics and external environmental forces (Zou, Andrus, & Norvell, 1997).

Nevertheless, the present "state of art" of the international marketing literature reveals that neither total standardisation, nor total adaptation necessarily lead to superior export performance, but the attainment of an optimal fit between the international marketing strategy and the particular context in which the strategy is implemented, characterised by specific internal organisational characteristics and environmental forces. Indeed, more recent developments place emphasis on the contingency approach of the standardisation/adaptation debate (Cavusgil, Zou, & Naidu, 1993; Cavusgil & Zou, 1994; Jain, 1989; Onkvisit & Shaw, 1987; Quelch & Hoff, 1986; Roper, 2005; Solberg, 2000; 2002; Vrontis, 2003). The contingency perspective looks for a balance between international marketing strategy standardisation and adaptation. It posits that no strategy is strictly better than the other. Standardisation or adaptation is not a dichotomous decision, is rather a matter of degree as marketing strategies are contingent upon internal and external factors (Jain, 1989; Lages & Montgomery, 2004; Quelch & Hoff, 1986; Vrontis, 2003). More precisely, a firm that adapts its practices appropriately to its own characteristics and to the environment in which it operates would outperform

firms that are not concerned with achieving a co-alignment between the international marketing strategy and the internal and external determinants, thus choosing an inappropriate degree of standardisation/adaptation (Dow, 2006). In their comprehensive review on the standardisation versus adaptation of the international marketing strategy, Theodosiou and Leonidou (2003) synthesised the main ideas suggested by the scholars supporting the contingency perspective: i) standardisation or adaptation should not be seen in isolation from each other, but as the two ends of the same continuum, where the degree of firm's marketing strategy standardisation versus adaptation can range between them; ii) the decision to standardise or adapt the marketing strategy is situation dependent, and this may be the outcome of thorough analysis and assessment of the relevant contingency factors prevailing in a specific market at a certain time; and iii) the appropriateness of the selected level of strategy standardisation/adaptation should be evaluated on the basis of its impact on the company performance in international markets (Cavusgil and Zou, 1994; Jain, 1989; Onksivit & Shaw, 1987; Quelch & Hoff, 1986).

3. Literature review and research hypotheses

3.1 International marketing strategy standardisation/adaptation and export performance

In what follows, a brief review of the current "state of art" of the standardisation/adaptation of the international marketing mix elements is presented.

3.1.1 Product strategy standardisation/adaptation

As previously mentioned, the relationship between product standardisation/adaptation and export performance is a key issue within the international marketing strategy which is still rather unclear. For instance, while a positive relationship between adapting products to the local market and export

performance was observed by several scholars (Calantone et al., 2006; Cavusgil & Zou, 1994; Lee & Griffith, 2004; Shoham, 1999) and was also reported by half of the studies included in Leonidou, Katsikeas, and Samiee's (2002) comprehensive review of international marketing mix elements, other scholars have observed that a standardised product was more successful (Christensen, Da Rocha, & Gertner, 1987; Zou, Andrus, & Norvell, 1997). Moreover, various studies reported insignificant effects of product standardisation/adaptation on different export performance measures (Albaum & Tse, 2001; Johnson & Arunthanes, 1995; O'Cass & Julian, 2003; Samiee & Roth, 1992). Collectively, while product adaptation has been widely studied by researchers and generally positively correlated with export performance, other studies obtained insignificant results or even negative correlations.

3.1.2 Price strategy standardisation/adaptation

Price standardisation versus adaptation has received little attention in the literature (Lages, 2000) and the results obtained in relationship with export performance are mixed (Shoham, 1995). In this sense, various researchers identified a positive relationship between price adaptation and export performance (Das, 1994; Lee & Griffith, 2004; Shoham, 1996). Also, Leonidou, Katsikeas, and Samiee (2002) observed, in their literature review, a strong positive relationship between price adjustment and export performance, with the exception of export sales volume. On the other hand, other studies indicate that price adaptation is negatively related to export performance (Lages & Montgomerry, 2005; Özsomer & Simonin, 2004; Shoham, 1999; Sousa & Bradley, 2008; Zou, Andrus, & Norvell, 1997). Moreover, several scholars identified a non-significant association between price standardisation/adaptation strategy and export performance (Albaum & Tse, 2001; Lages & Jap, 2002; O'Cass & Julian, 2003; Samiee & Roth, 1992).

3.1.3 Promotion strategy standardisation/adaptation

Regarding the promotion standardisation versus adaptation several studies reported that exporters who adapted their international promotional strategy were associated with improved export performance (Shoham, 1996; 1999). Similarly, Leonidou, Katsikeas, and Samiee's (2002) review supported promotion adaptation which appeared to be strongly and positively associated with overall performance, while Cavusgil and Zou (1994) who found a negative association between promotion adaptation and export performance, conclude that promotion adaptation is driven by the competitive pressure in the export market. However, other studies did not identify any significant relationship between promotion export strategy and export performance (Albaum & Tse, 2001; Lages & Jap, 2002; O'Cass & Julian, 2003; Samiee & Roth, 1992).

3.1.4 Distribution strategy standardisation/adaptation

International distribution is the export marketing mix element least investigated, receiving particularly little attention in the context of standardisation versus adaptation controversy (Myers & Cavusgil, 1996; Rosenbloom, Larsen, & Mehta, 1997; Zou & Stan, 1998). Leonidou, Katsikeas and Samiee (2002) observed that the few studies which researched distribution adaptation mainly point to the adjustment of the exporting enterprise's channel design in the export markets. Their review revealed a strong positive relationship between distribution adaptation and export performance, particularly when measured as export intensity and export profit level. Nevertheless, in opposition to findings such as Shoham's (1996) which support the positive significant impact of distribution adaptation on export performance, other studies revealed a positive significant association between distribution standardisation and static export performance (Shoham, 1999), or did not identify any significant link between distribution export strategy and the subsequent export performance (Albaum & Tse, 2001; Lages & Jap, 2002; O'Cass & Julian, 2003; Samiee & Roth, 1992).

3.2 Internal and external moderating variables

As previously stated, from a theoretical point of view, this study focuses on the present approach on the standardisation/adaptation debate, the contingency perspective, fully embracing the idea of degree rather than absolute standardisation or adaptation, more concretely considering international marketing strategy along a continuum varying from pure standardisation to pure adaptation. In agreement with prior research, this study argues that: there is no particular right strategy; either can be better in a particular situation (Lages & Montgomery, 2004) and that high performance in the international arena depends, largely, on the firm choosing a global strategy that is appropriate for its unique set of circumstances (Lemak & Arunthanes, 1997). In this sense, according to the findings of prior studies on the influence of the international marketing strategy on export performance, several internal and/or external variables may moderate this relationship (e.g. Cavusgil, Zou, & Naidu 1993; Jain, 1989; Lages & Jap, 2002).

3.2.1 Firm size[1]

Previous research observed that firm size influences the standardisation/adaptation of the marketing mix elements (Chung, 2003; Chung, 2005; Myers & Cavusgil, 1996; Sousa & Bradley, 2008). Scholars argued that larger firms are more likely to employ a universal marketing strategy as it helps them maintain their competitive advantage over international and local competitors (Sorenson & Wiechmann, 1975) and that, mainly, the advantages of standardisation accrue to larger companies (Soares, Farhangmehr, & Shoham, 2003). Similarly, the empirical evidence provided by Chung (2003) suggests that firm size is negatively associated to adaptation of price, place, and process

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[1] Firm size was selected to represent the internal moderating varible for the relationship established between the standardisation/adaptation of the international marketing strategy and export performance as it has frequently been used as a proxy for organisational resources and capabilities availability in the international business literature. Also, significant corrlatition of over .3, at the .01 level, were observed between firm size, firm age and international experience, therefore the latter variables were not included in the multi-group SEM analysis.

strategies, in other words larger firms being more likely to standardise their marketing programs across the markets in which they operate. The above mentioned arguments are closely related to the idea that larger firms could capitalise on production economies of scale easier than smaller firms and that in order to take advantage of the benefits of standardisation, firms must make important investments in production capacity which smaller firms cannot afford or are no longer considered small if they are able to make such investments (Mittelstaedt, Harben, & Ward, 2003).

3.2.2 Technological intensity of the industry

The international marketing literature suggests that technology orientation is negatively related to the international marketing strategy adaptation. Global strategies are more suitable in technology-intensive industries such as computers, aircraft, medical equipment, or photocopier industries than in "old-line" industries such as clothing, food, or household apparel (Cavusgil, Zou, & Naidu, 1993). The products in the latter industries appeal to tastes, habits and customs, which tend to vary from market to market (Jain, 1989). Similarly, Cavusgil and Zou (1994) observed, in their empirical investigation, that technology orientation of the industry appeared to be the strongest determinant of product adaptation, arguing that managers in technological intensive industries highlighted the universal acceptability of their products.

3.2.3 Environmental determinants

The likelihood for a firm to follow a more standardised or a more customised international marketing strategy is also contingent upon the environmental determinants (e.g. Albaum & Tse, 2001; Cavusgil, Zou, & Naidu, 1993; Calantone et al., 2006; Cavusgil & Zou, 1994; Chung, 2005; Chung, 2007; Jain, 1989; Lages & Montgomery, 2004; Leonidou, Katsikeas, & Samiee, 2002; Quelch & Hoff, 1986; Sorenson & Wiechmann, 1975; Sousa & Bradley, 2008; Viswanathan & Dickson, 2007; Zou,

Andrus, & Norvell, 1997). The basic assumption is that the greater the environmental differences between home and host export markets, the lower the degree of standardisation of the international marketing strategy, and vice versa (Jain, 1989). While in considerably different markets to the home one firms would focus on adapting their international marketing strategy to the local culture, legal and political systems, in similar markets, they may benefit from advantages in communicating with the local customer and governments or attain lower costs for marketing research, negotiations and adapting to local regulations, thus achieving a competitive advantage as compared to the competitors (Calantone et al., 2006). However, findings on the impact of the environmental differences on the feasibility and the appropriateness of the international marketing strategy are mixed: while some scholars observed that firms adopt a significantly less aggressive product adaptation strategies for markets that are similar to the home market (Calantone et al., 2006), others reported only partial support (Chung, 2005) or as suggested by Theodosiou and Leonidou' (2003) comprehensive review, numerous studies obtained insignificant results. For proposing the hypotheses related to this determinant, we rely on arguments such as Jain's (1989) and Calantone et al. (2006), as they seem to be fairly agreed upon in the international marketing literature.

3.3 Research hypotheses

In light of the above mentioned and while considering standardisation/adaptation as a continuum with the extremes represented by complete standardisation and complete adaptation respectively, we propose the conceptual model[2] presented in Figure 1 and the following research hypotheses:

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[2] It is noteworthy mentioning that in order to determine which of the export marketing mix dimensions and performance related elements highlighted by the literature in the field, were relevant, at present, for the export behaviour of Spanish SMEs, four case-studies with the decision makers from such companies were carried out (Stoian & Rialp, 2008). Consequently, the conceptual model presented in Figure 1 has been assessed and revised by previously employing a qualitative research method.

("Insert Figure 1 about here")

3.3.1 General hypotheses

H1. The objective export performance of firms that put emphasis on the overall adaptation of the international marketing strategy is not different from that of firms that do not stress overall adaptation.

H2. The satisfaction with export performance of firms that put emphasis on the overall adaptation of the international marketing strategy is not different from that of firms that do not stress overall adaptation.

3.3.2 Secondary hypotheses

Nevertheless, as discussed above, the relationship between the standardisation/adaptation of the international marketing strategy on one hand and the objective and subjective export performance on the other hand, can be moderated by the size of the SME, the technological intensity of the industry and the home-host market cultural/political/legal differences as follows:

H1a. The larger the SME, the more negative the relationship between the overall adaptation of the international marketing strategy and the objective export performance and vice versa.

H2a. The larger the SME, the more negative the relationship between the overall adaptation of the international marketing strategy and the satisfaction with export performance and vice versa.

H1b. For high-tech firms the overall adaptation of the international marketing strategy is negatively related to the objective export performance while for low-tech firms overall adaptation of the international marketing strategy is positively related to the objective export performance.

H2b. For high-tech firms the overall adaptation of the international marketing strategy is negatively related to the satisfaction with export performance while for low-tech firms overall adaptation of the international marketing strategy is positively related to the satisfaction with export performance.

H1c. The more the management perceives the environmental differences to represent barriers for the export activity the more positive the relationship between the overall adaptation of the international marketing strategy and the objective export performance and vice versa.

H2c. The more the management perceives the environmental differences to represent barriers for the export activity the more positive the relationship between the overall adaptation of the international marketing strategy and the satisfaction with export performance and vice versa.

4. Methodology

4.1 Data collection

In order to empirically test our model quantitative data was collected through an online survey addressed to the decision maker in charge of the export activity in Spanish SMEs. The structured questionnaire used for the survey, was first pre-tested by international business academics and four Spanish SME export managers. In this way we assured its comprehensibility as well as verified which of the export performance related variables and marketing mix items highlighted by the international business literature were relevant in the specific context of this research. It is equally important mentioning that the interviews with the practitioners revealed a reticence of the respondents when asked to provide financial information regarding export performance in their companies. Thus, based on the constructive feedback received from the export managers interviewed, it was decided that, in order to avoid high item non-response

rates, only the least problematic performance variables were to be assessed objectively, namely export intensity and export market geographical coverage while export sales growth, export market share, export results in comparison with competitors as well as achievement of export objective related items were to be subjectively measured by the use of a satisfaction measurement scale.

For selecting the firms to which the questionnaire was aimed, the Kompass data-base was used. A central concern of this research was to assure that the questionnaire respondent was the decision maker in charge of export operations in the firm. In this sense, a personal e-mail address represented an indispensable requirement for participating in the survey. Thus, a sample of 423 decision makers in charge of exports in their respective companies, presenting a personal e-mail address, was identified and selected to participate in the survey. The questionnaire was sent out in February 2008, and was followed by two other reminder e-mailings. After eliminating those observations that did not provide complete answers for all the questions related to this study, 155 cases (exporting SMEs of at most 499 employees) were considered valid, representing an effective response rate of 36.6 per cent. The issue of the non-response bias was addressed by using Armstrong and Overton's (1977) extrapolation procedure. More precisely, early respondents were compared to middle and late respondents using a series of t-tests. No significant differences were found between the three groups of respondents with respect to the size age, export experience and industrial sector of the firms, indicating that non-response bias was not a problem. Moreover, very similar representativeness was observed, in terms of the previously mentioned characteristics, when comparing the 155 valid observation sample to the general population of Spanish exporting SMEs (ICEX, 2008).

4.2 Measurement

In order to capture all variables/constructs on which the hypotheses of the present study are based, the questionnaire included several multi-item measures and indicators as follows:

4.2.1 Product/Price/Promotion/Distribution strategy: standardisation-adaptation

The items used to measure product and promotion adaptation were adapted from Zou, Andrus, and Norvell (1997) whereas those used to measure price and distribution adaptation were derived from Shoham (1999). The constructs were each measured with three different items on a five-point Likert scale. The respondents had to indicate the extent to which the main product (its price/promotion/distribution) was standardised/adapted to the export markets ("totally standardised" = 1; "totally adapted" = 5) regarding three different items for each element: i) product - a) product brand, b) product design, c) product packing; ii) price - a) price strategy, b) discount policy, c) profit objective per product; iii) promotion - a) promotion objectives, b) promotion budget, c) media channels for advertising; and iv) distribution - a) transport strategy, b) distribution budget, c) distribution channels.

No uniform definition of export performance is provided by the literature (Cavusgil & Zou, 1994; Sousa, 2004) and also, in spite of the development of several measurement scales (Lages & Lages, 2004; Zou, Taylor, & Osland, 1998) there is yet no full agreement on how to measure export performance (Katsikeas, Leonidou, & Morgan, 2000; Sousa, 2004; Wheeler, Ibeh, & Dimitratos, 2008; Zou & Stan, 1998). Nevertheless, there is general consensus that the objective and subjective measures are complementary in nature, and it is advisable to make use of both in order to provide a

more comprehensive picture of export performance (Dimitratos, Lioukas, & Carter, 2004; Katsikeas, Leonidou, & Morgan, 2000; Shoham, 1998; Shoham, Evangelista, & Albaum, 2002; Sousa, 2004; Wheeler, Ibeh, & Dimitratos, 2008). Therefore, in order to assess export performance, two separate constructs were considered in this study: i) objective export performance and ii) subjective export performance.

4.2.2 Objective export performance

From the objective perspective, we chose to rely on export intensity as well as the export market geographical coverage. Export intensity is, according to Katsikeas, Leonidou, and Morgan (2000), by far the most widely employed indicator in empirical research and was measured as the ratio of exports to total sales in 2007. For assessing export market geographical coverage two distinct variables were used: the total number of export countries in which the firm is active and the number of export zones entered by the SME. In order to measure the latter variable, seven major export zones have been considered: a) the European Union, b) the rest of Europe, c) North America (USA and Canada), d) Latin America, e) Africa, f) Asia and g) Australia and Oceania. A similar zone division pattern was previously utilised in another study based on Spanish companies by Lado, Martínez, and Valenzuela (2004).

4.2.3 Satisfaction with export performance

On the other hand, from a subjective point of view, managerial satisfaction with export performance was analysed. For selecting the items included in this construct several scales of prior studies were considered (Dhanaraj & Beamish, 2003; Lages & Mongomery, 2004; Shoham, 1998; 1999; Zou, Taylor, & Osland, 1998). The construct was measured with six different items on a five-point Likert scale ("very unsatisfied" = 1; "very satisfied" = 5). More precisely, respondents were asked to self-evaluate their satisfaction with the following items: i)-ii) growth of the overseas sales in total/in the

main markets; iii)-iv) total market share overseas/in the main markets; v) results in the main markets as compared with the main competitors (local and international); vi) achievement of the export objectives.

4.2.4 Firm size

The variable was assessed by the total number of employees. For performing the analysis, the 155 SME sample was divided in two groups selecting as cut-off point the median value (40 employees): i) 75 firms with less than 40 employees and ii) 80 firms with at least 40 employees.

4.2.5 Technological intensity of the industry

For measuring this variable, the 155 manufacturing and service firms included in the valid sample were divided according to the technological intensity of the industry, as stipulated by NACE (Rev 1.1 and Rev 2), into two broad groups: i) 76 firms belonging to high and medium-high-technology sectors (manufacture of chemicals and chemical products, including pharmaceuticals, medical chemicals and botanical products; manufacture of machinery and equipment; manufacture of electrical machinery and apparatus; manufacture of motor vehicles, trailers, semi-trailers and other transport equipment; and high technology services) and ii) 79 firms belonging to low and medium-low-technology sectors (manufacture of food products, beverage and tobacco; manufactures of textiles and textile products; manufacture of wood and paper products; manufacture of basic metals and fabricated metal products; other low-technology manufactures; and low-technology services).

4.2.6 Environmental determinants

The respondents had to indicate the extent to which he/she disagreed/agreed ("total disagreement" = 1; "total agreement" = 5) with three statements regarding the export activity: i)-iii) cultural/political/legal differences between the home and the host

markets represent important barriers for overseas activities. A factor analysis procedure was conducted in order to summarise the information related to the environmental determinants. KMO and Bartlett sphericity tests were utilised for revealing the correlation degree among the items considered. Next, principal components analysis, with varimax rotation, was conducted resulting in one factor with an eigenvalue greater than 1, cumulating an extracted variance of 68 per cent and presenting a Cronbach alpha coefficient of .76. For performing the analysis, the 155 SME sample was divided in two groups selecting as cut-off point the median value: i) 80 firms which generally do not consider the environmental differences between the home and host markets as important barriers for the export activity and ii) 75 firms which perceive these differences as important export barriers.

5. Results

5.1 Descriptive results

Preceding the model testing, descriptive statistics were performed for the variables included in the valid sample. In this sense, first a profile of the 155 exporting SMEs was provided offering information concerning, firm size, export experience and the industry sector (Table 1).

("Insert Table 1 about here")

Next, descriptive statistics were used also for characterising the SMEs included in the valid sample regarding the international marketing mix and export performance variables (Table 2).

("Insert Table 2 about here")

5.2 Reliability and validity analysis

Content validity was assured through the literature review, by consulting experienced researchers as well as by carrying out four semi-structured interviews with decision makers of Spanish exporting SMEs during the pre-testing qualitative stage of this research.

We purified our measures using explanatory factor analysis and reliability analysis. Six factor analysis procedures were conducted in order to asses construct dimensionality and to condense and summarise the information related to several determinants. Following similar procedures as Cavusgil and Zou (1994) and O'Cass and Julian (2003), we aimed to establish that items loaded onto their appropriate construct and factors were interpretable. KMO and Bartlett sphericity tests were utilised for revealing the correlation degree among the items considered. Next, principal components analyses, with varimax rotation were conducted for each of the constructs analysed and factors with eigenvalues greater than 1 were extracted. We retained items with high loadings on the intended factors, of above .65 (Table 3).

("Insert Table 3 about here")

In order to provide reliability to the scales, Cronbach's alpha and composite reliability were computed. Cronbach alpha coefficients of all the constructs in our model have scored values greater than .70 (Nunnally, 1978). Next, reliability was examined by a composite reliability test (Fornell & Larcker, 1981). All the values[3] of the construct reliability coefficients were above .75, thus exceeding the recommended minimum level of .70 (Bagozzi & Yi, 1988; Hair et al., 2005).

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[3] CR = (Sum of standardised loadings)²/[(Sum of standardised loadings)² + (sum of indicator measurement error)]; Indicator measurement error = 1- (standardised loadings)² (Lu & Yang, 2007). Product strategy standardisation/adaptation CR = 0.851; Price strategy standardisation/adaptation CR = 0.874; Promotion strategy standardisation/adaptation CR = 0.885; Distribution strategy standardisation/adaptation CR = 0.887; Objective export performance = 0.771; Satisfaction with export performance = 0.877.

Next, convergent validity and discriminant validity tests have also been conducted. Convergent validity refers to the degree to which a measure is correlated with other measures which are theoretically predicted to correlate with. For the scales related to objective export performance and perceived satisfaction with export performance the convergent validity analysis is given by the correlation matrix as they have one component only. If the correlations between the items are significant, then convergent validity is satisfied for the construct analysed. Tables 4 and 5 show that correlations were significant for both constructs, at .01 significance level.

("Insert Table 4 about here")

("Insert Table 5 about here")

For the Overall adaptation degree scale, as it has four components, two methods are used in order to assess convergent validity. The first method consists of examining the correlation matrix of the four components. Significant correlations between them indicate that the components converge into a common construct, thus satisfying convergent validity. As it is shown in Table 6, all the correlation coefficients are significant at .01 level.

("Insert Table 6 about here")

Another method for evaluating convergent validity of a construct with various components is the confirmatory factor analysis. This method compares a null model (M_0) which is based on the hypothesis that the correlation between the four components of the Overall adaptation degree scale is zero, against another model (M) which considers that correlation exists between the four components of the same scale (Arbuckle & Wothke, 2003; Bagozzi & Phillips, 1982; Phillips & Bagozzi, 1986; Tse, et al., 2003). Convergent validity is satisfied if M presents a better fit than M_0.

("Insert Figure 2 about here")

The comparison between the two models clearly shows the better fit of the alternative model (M) (CFI = .963; RMSEA = .075) as compared to the null model (M_0) (CFI = .884; RMSEA = .124). Summarising, the results show that convergent validity is satisfied for the Overall adaptation degree construct regarding all its four components: product strategy standardisation/adaptation, price strategy standardisation/adaptation, promotion strategy standardisation/adaptation and distribution strategy standardisation/adaptation.

Discriminant validity refers to the degree in which the measures of conceptual distinct constructs differ among each other. Traditionally, it is evaluated by using the correlation matrix for the items included in the scale, which should present higher correlations with their corresponding factor (Tse et al., 2003). The results for the Overall adaptation degree scale, presented in Table 7, clearly show that higher and significant correlations, at least at .05 but mostly at .01 level, were obtained by the items of each element with their corresponding factor.

("Insert Table 7 about here")

A modified version of the above mentioned procedure, recommended by Burnkrant and Page (1982) and utilised by Tse et al. (2003), could also be used for examining discriminant validity for scales of two or more components. It consists of comparing the goodness of fit of two measurement models for the four dimensions of the Overall adaptation degree scale: one that is based upon a perfect correlation among the four components (restricted model M_1) and another model which does not consider this restriction (non-restricted model M). The non-restricted model should present a better fit as compared to the other one, in order to achieve discriminant validity. The results clearly indicate the better fit of the non-restricted model (M) (CFI = .963; RMSEA = .075) as compared to the restricted model (M_1) (CFI = .949; RMSEA = .082).

Summarising, the previous tests illustrate that the Overall adaptation degree scale fully satisfies the discriminate validity criterion.

5.3 Hypotheses testing

The relationship between the overall adaptation degree of the international marketing mix and export performance measured objectively as well as managerial satisfaction was tested with a structural equation model using Analysis of Moment Structures (AMOS) 7.0 as displayed in Figure 3.

("Insert Figure 3 about here")

Firstly we evaluated the general structural equation model. Although chi-square (χ^2 = 256.3 d.f. = 179) is significant (p < .01), it is most probably sensitive to sample size (Bagozzi & Yi, 1988). Therefore, other fit indexes were computed: χ^2/d.f. = 1.43, comparative index fit (CFI) = .960, Tucker-Lewis fit index (TLI) = .953, incremental fit index (IFI) = .960, root mean square error of approximation (RMSEA) = .053. The fit indexes obtained suggest a good model fit, meeting the cut-off points recommended by Browne and Cudeck (1993) as well as the more stringent ones recommended by Hu and Bentler (1999). Given the adequate goodness of fit indexes we proceeded to test our hypotheses.

The study proposed two major research hypotheses. Both H1 and H2 predicted that the objective export performance and satisfaction with export performance of firms that put emphasis on the overall adaptation of the international marketing strategy is not different from that of firms that do not stress overall adaptation. Our results show that the overall adaptation degree of the international marketing strategy did not significantly associate with either of the two export performance dimensions employed -

H1 (path coefficient = –.010; p > .1) and H2 (path coefficient = .074; p > .1) - , thus providing support for both general hypotheses.

For testing the expected influence of three internal and external variables on the relationship established between the international marketing strategy and export performance multi-group analyses were employed. The models fit the data well: i) firm size - (CFI) = .947 and (RMSEA) = .044; ii) technological intensity of the industry - (CFI) = .917 and (RMSEA) = .056; iii) environmental determinants - (CFI) = .923 and (RMSEA) = .053[4]. Thereby, we proceeded to test our secondary hypotheses.

Regarding firm size, the overall adaptation degree is negatively correlated with objective export performance (path coefficient = –.290; p < .1) for the group of larger sized SMEs (40 - 499 employees), thus providing partial support to H1a. No significant relationship was established between the adaptation degree of the international marketing mix strategy and the objective export performance for the group of smaller sized SMEs. Also, the overall adaptation degree negatively associated with the satisfaction with export performance (path coefficient = –.374; p < .05) for the group of larger sized SMEs (40 - 499 employees) in opposition to the results obtained for the smaller sized SMEs group (1 - 39 employees) for which satisfaction with export performance appears to be positively influenced by the adaptation degree of the international marketing strategy (path coefficient = .343; p < .05), therefore fully supporting H2a.

Concerning the technological intensity of the industry, no significant results were observed for any of the two groups with regards to objective export performance, thus

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[4] We have also compared the initial unconstrained two-group models for each of the three determinants considered for the multi-group analyses with constrained models, where the relationships between the overall adaptation degree and objective export performance as well as satisfaction with export performance would take the same value in both groups. In all three cases the unconstrained models, where all hypothesised relationships are allowed to be estimated freely in both groups, present a better fit than there corresponding constrained models, therefore moderation is supported (Hair et al., 2005).

H1b does not receive support. One significant positive relationship was found between the adaptation degree of the overall international marketing strategy and the satisfaction with export performance for the low-tech firms (path coefficient = .253, p < .1), conferring partial support to H2b.

The findings obtained for the environmental determinants contradict H1c, as in the investigated sample, for the group whose management perceives the environmental differences to represent barriers for the export activity, the overall adaptation degree of the international marketing strategy negatively associates with objective export performance (path coefficient = –.289, p < .1) whereas, for the group whose management does not perceives the environmental differences to represent barriers for exporting, the overall adaptation degree positively influences the objective performance outcome (path coefficient = .278, p < .1). No significant results were obtained for the two groups analysed for satisfaction with export performance, so H2c is not supported.

Table 8 provides summarised information regarding the fit indexes as well as the relationships tested for the general model and for the multi-group analyses.

("Insert Table 8 about here")

6. Discussion

Regarding the degree of standardisation/adaptation that characterises the international marketing mix elements, product related factors presented the least degree of adaptation with an average of 2.55 for the three items considered, while the other marketing mix components presented averages of: 3.60 (price), 3.22 (promotion) and 3.37 (distribution). Generally, it could be argued that the overall level of the standardisation/adaptation degree of the international marketing strategy of the analysed firms was moderate, 3.19, with a slight tendency towards adaptation. This is in line with earlier empirical evidence regarding the standardisation/adaptation of the international

marketing mix elements, as suggested by Theodosiou and Leonidou (2003). These authors concluded in their comprehensive review on the standardisation versus adaptation of the international marketing strategy that product related elements tended to be more standardised as compared to other marketing mix elements and that, on average, the adaptation degree of the export marketing strategy was moderate pointing to a "middle of the road" attempt to reap the benefits of both standardisation and adaptation. Possible explanations for the lower adaptation degree of the product as compared to the other three marketing mix elements may be the increased tendency towards achieving economies of scale in production and research and development as well as the use of rather uniform quality standards and production controls, especially considering the limited resource base which characterises most SMEs. On the other hand, price strategy was the most adapted strategy to the export markets, thus pointing to the flexibility of the SMEs in achieving a certain level of price discrimination across countries as a rapid, natural and expected response to differences in factors such as marketing objectives, cost and price structures, inflation rates, currency fluctuations, government taxes or transport expenses.

In accordance to our proposed hypotheses, the results show that the overall degree of adaptation of the international marketing strategy, taken in isolation without considering the moderating effect of certain organisational and environmental variables, did not have a significant impact on the objective export performance or on the managerial satisfaction with export performance. These findings are similar to the results put forward by several previous studies (Albaum & Tse, 2001; O'Cass & Julian, 2003; Samiee & Roth, 1992), as no significant differences regarding export performance were found between firms according to the standardisation/adaptation degree of the export marketing mix strategy. Thus, objective export performance as well

as managerial satisfaction with export performance can be achieved by applying international marketing strategies characterised by different standardisation/adaptation degrees. In this sense, our findings provide support to the contingency perspective on the international marketing strategy standardisation/adaptation debate in line with various prior studies (Cavusgil, Zou, & Naidu, 1993; Cavusgil & Zou, 1994; Jain, 1989; Onkvisit & Shaw, 1987; Quelch & Hoff, 1986; Roper, 2005; Solberg, 2000; 2002; Vrontis, 2003). In other words, the SMEs may focus on matching firm's characteristics with the environmental idiosyncrasy of the export markets, in this process implementing a certain standardisation/adaptation degree to the export marketing strategy.

Indeed, according to our results, the impact the overall international marketing strategy has on objective export performance and on decision maker's satisfaction with export performance appears to be contingent upon the size of the firm, the technological intensity of the industry, and the environmental determinants as revealed by the multi-group analyses. More specifically, the findings showed significant differences among smaller and larger SMEs, regarding the relationship established between the adaptation degree of the international marketing strategy and export performance. In this sense, the results are consistent with prior studies such as Chung (2003), Mittlstaedt, Harben, and Ward's (2003), Soares, Farhangmeht, and Shoham (1975) or Sorenson and Wiechmann (1975), as for larger SMEs the overall adaptation degree of the international marketing mix has a significant negative influence on both objective export performance and satisfaction with export performance. Therefore, it could be argued that larger SMEs choose a more standardised version of the marketing mix elements in their quest for achieving superior export performance as they are able to make considerable investments in the production capacity, and consequently reap the benefits of economies of scale. On the contrary, for smaller SMEs, the more adapted the international

marketing strategy was, the more satisfied with export performance the decision makers appeared to be. A possible explanation could be that for micro and small firms it is more unlikely to make large investments in the production capacity, so, as economies of scale are very difficult to achieve, they may count on their increased flexibility and direct their efforts into adapting the international marketing strategy to the particularities of the export segments served. The decision makers in smaller SMEs may consider that it is mostly due to these adaptation efforts that their firms have registered a growth in foreign sales, reached a certain market share overseas, obtained satisfactory results in comparison with the competitors or, generally, achieved the export objectives.

Moreover, when looking at the technological intensity of the industry, the results show that for the low-tech firms the adaptation degree of the international marketing strategy positively influenced satisfaction with export performance. Therefore, this could suggest that, in line with previous studies such as Cavusgil, Zou, and Naidu (1993), Cavusgil and Zou (1994) and Jain (1989), firms belonging to low-tech sectors need to adapt more their marketing strategies to the tastes, habits and customs of the export markets served in order to achieve satisfactory levels of export performance abroad, as perceived by their decision makers.

Finally, significant differences were observed in the relationship between the overall adaptation degree of the international marketing strategy and objective export performance, according to the perceived cultural, political and legal differences among the home-host markets. These findings, however somehow contradict the frequently evocated argument according to which greater environmental differences between home and host export markets would imply a higher degree of adaptation of the international marketing strategy, and vice versa. Indeed, in accordance to our results, for firms characterised by low perceived environmental barriers, the overall adaptation of the

international marketing strategy to the local markets lead to higher levels of objective export performance. It could be argued that, given the low level of differences between the home and host markets, the firms had to employ minimal efforts for customising their marketing strategy to local markets, thus attaining superior export results. On the other hand, for firms characterised by high perceived environmental barriers, a more standardised international marketing strategy conducted to superior objective export performance. The presence of high cultural, political and legal differences implies significant additional costs for the firms in order to adapt their offer to the export markets, costs that, most likely, they are not able to afford. Hence, for attaining increased export performance, they chose to emphasise a more uniform international marketing strategy.

7. Concluding remarks

Given the increased tendency towards the globalisation of world's markets, export involvement becomes of crucial importance for SMEs' survival and growth. In this context, the debate regarding the standardisation/adaptation of the international marketing strategy, from both a theoretical and empirical perspective, represents a key issue for achieving successful export results. In light of the findings of this empirical investigation, successful export performance could be achieved by employing either a more standardised or a more adapted overall level of the international marketing strategy. Standardisation and adaptation should not be seen, in isolation, as pure strategies, but rather should be regarded from a contingency perspective which suggests a balance between the standardisation and the adaptation of international marketing strategy would lead to increased export performance. Thus, by directing their efforts to reaching the optimal fit between the degree of standardisation/adaptation of the international marketing strategy on one hand, and the particular organisational and

contextual factors specific to the export markets entered, on the other hand, SMEs are able to achieve successful levels of export performance. Hence, this study contributes to the existent international marketing literature by isolating three internal and external contingent variables, namely firm size, technological intensity of the industry and environmental factors, that moderate the relationship established between the overall international marketing strategy and export performance, measured both in an objective and a subjective manner.

The outcome of this research also provides valuable implications for practitioners. Firm managers should be aware that in order to achieve superior export performance no strategy is strictly better than the other; no universal panacea for achieving export success exists. More precisely, the selection of a more standardised or adapted international marketing mix strategy is situation contingent and, therefore managers should carefully analyse and search an optimal co-alignment with firm's resources and capabilities, the technological characteristics of their industrial sector and environmental idiosyncrasy of the export markets targeted.

The limitations of the study should be considered when the results are interpreted. Firstly, the empirical enquiry is focused on a specific geographical context (Spain), hence readers should exercise caution in attempting to generalise this study's findings to considerably different economic settings. Secondly, the investigation was based on a limited number of observations (155) which restricted the number of variables/constructs to be included in the measurement model.

As future research directions it would be interesting to replicate similar studies in distinct geographical contexts, thus the results could be generalised to larger populations. Longitudinal analysis should also be conducted in order to illustrate the dynamics of exporting. In this way, complex constructs such as the degree of

standardisation/adaptation of the international marketing strategy or export performance could be analysed from a time-based perspective, allowing for the investigation of composite cause-effect relationships. Furthermore, it may also be advisable to carry out similar investigations within various industries, separately, as well as to differentiate the results obtained according to the specific overseas markets served. Thus, the formulation of pertinent comparisons would be possible, highlighting the differences established between the impact of the international marketing strategy on export performance in distinct manufacturing and service sectors and/or socio-economic settings.

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Appendix

Table 1. Sample profile

Firm size (Number of employees)	(%)	Export experience
Micro enterprises (1-49 employees):	56.8	
Small enterprises (50-249 employees):	37.4	Mean: 18 years
Medium enterprises (250-499 employees):	5.8	

Industrial sector	(%)	Technological intensity (NACE Rev. 1.1and 2)
Manufacture of food, beverage and tobacco	10.3	Low-technology
Manufacture of textiles and textile products	8.4	Low-technology
Manufacture of wood and paper products	6.5	Low-technology
Manufacture of basic metals and metal products	10.3	Medium-low-technology
Other low-technology manufactures	9.7	Low-technology
Manufacture of chemicals and other chemical products (Including pharmaceuticals, medical chemicals and botanical products)	18.1	High and medium-high-technology
Manufacture of machinery and equipment	10.3	Medium-high-technology
Manufacture of electrical machinery and apparatus	13.5	Medium-high-technology
Manufacture of motor vehicles trailers, semi-trailers and other transport equipment	4.5	Medium-high-technology
Low-technology services (wholesale and retail trade; support and auxiliary transport activities)	5.8	Low-technology
High-technology services (computer and related activities; R&D; other business activities)	2.6	High-technology
Total	100.0	

Table 2. Descriptive statistics for the international marketing mix and export performance variables

Variables	Min	Max	Mean	SD
Marketing Mix Variables				
Product strategy standardisation/adaptation				
Product brand	1	5	2.41	1.557
Product design	1	5	2.66	1.572
Product packing	1	5	2.59	1.498
Price strategy standardisation/adaptation				
Price strategy	1	5	3.69	1.398
Discount policy	1	5	3.57	1.400
Profit objective per product	1	5	3.54	1.374
Promotion strategy standardisation/adaptation				
Promotion objectives	1	5	3.23	1.283
Promotion budget	1	5	3.28	1.336
Advertising channels	1	5	3.16	1.317
Distribution strategy standardisation/adaptation				
Transport strategy	1	5	3.35	1.418
Distribution budget	1	5	3.25	1.361
Distribution channels	1	5	3.51	1.393
Export Performance				
Objective export performance				
Number of export zones	1	7	3.60	1.712
Number of export countries	1	67	15.81	13.864
Export intensity (%)	1	100	34.67	24.507
Satisfaction with export performance				
Growth of the overseas sales in the main markets	1	5	3.44	.926
Growth of the overseas sales in total	1	5	3.50	.928
Market share in the main markets	1	5	3.12	.973
Total market share overseas	1	5	3.06	1.002
Results in main markets compared to the main competitors	1	5	3.19	.807
Achievement of export objectives	1	5	3.47	.784

Table 3. Explanatory factor analysis

Construct/Item	Factor loadings	Eigen values	% of variance explained
Factor 1. Product strategy (standardisation/adaptation)		2.314	77.130
Product design	.890		
Product packing	.881		
Product brand	.863		
Factor 2. Price strategy (standardisation/adaptation)		2.385	79.509
Discount policy	.914		
Price strategy	.894		
Profit objective per product	.866		
Factor 3. Promotion strategy (standardisation/adaptation)		2.411	80.358
Promotion budget	.939		
Promotion objectives	.912		
Advertising channels	.835		
Factor 4. Distribution strategy (standardisation/adaptation)		2.419	80.621
Distribution budget	.936		
Transport strategy	.911		
Distribution channels	.845		
Factor 5. Objective export performance		1.998	66.590
Number of export zones	.892		
Number of export countries	.866		
Export intensity	.672		
Factor 6. Satisfaction with export performance		4.033	67.214
Total market share overseas	.862		
Total overseas sales growth	.840		
Market share in main markets	.836		
Growth of the overseas sales in the main markets	.825		
Results in the main markets compared to main competitors	.786		
Achievement of export objectives	.765		

Tabla 4. Correlations for the convergent validity for objective export performance

Construct	1	2	3	4
Objective export performance	1			
Number of export zones	.892***	1		
Number of export countries	.866***	.707***	1	
Export intensity	.672***	.413***	.348***	1

*** p < .01.

Table 5. Correlations for the convergent validity for satisfaction with export performance

Construct	1	2	3	4	5	6	7
Satisfaction with export performance	1						
Growth of the overseas sales in the main markets	.825***	1					
Total overseas sales growth	.840** *	.784***	1				
Market share in the main markets	.836***	.555***	.538***	1			
Total market share overseas	.862***	.602***	.604***	.852***	1		
Results in the main markets as compared to main competitors	.786***	.520***	.502***	.682** *	.645***	1	
Achievement of the export objectives	.765** *	.590***	.698***	.464***	.511***	.533***	1

*** p < .01.

Table 6. Correlations for the convergent validity between the overall adaptation degree components

Overall adaptation degree components			Estimate
Product strategy standardisation/adaptation	↔	Price strategy standardisation/adaptation	.413***
Product strategy standardisation/adaptation	↔	Promotion strategy standardisation/adaptation	.341***
Product strategy standardisation/adaptation	↔	Distribution strategy standardisation/adaptation	.370***
Price strategy standardisation/adaptation	↔	Promotion strategy standardisation/adaptation	.386***
Price strategy standardisation/adaptation	↔	Distribution strategy standardisation/adaptation	.417***
Promotion strategy standardisation/adaptation	↔	Distribution strategy standardisation/adaptation	.474***

*** p < .01.

Table 7. Correlations for the discriminant validity for the overall adaptation degree construct

	Product strategy standardisation/ adaptation	Price strategy standardisation/ adaptation	Promotion strategy standardisation/ adaptation	Distribution strategy standardisation/ adaptation
Product brand	**.863*****	.257***	.178**	.163**
Product design	**.890*****	.381***	.325***	.304***
Product packing	**.881*****	.295***	.278***	.374***
Price strategy	.262***	**.894*****	.268***	.341***
Discount policy	.317***	**.914*****	.363***	.323***
Profit objective	.373***	**.866*****	.348***	.417***
Promotion objectives	.306***	.366***	**.912*****	.479***
Promotion budget	.248***	.295***	**.939*****	.436***
Advertising channels	.246***	.324***	**.835*****	.293***
Transport strategy	.286***	.356***	.343***	**.911*****
Distribution budget	.310***	.380***	.410***	**.936*****
Distribution channels	.266***	.350***	.472***	**.845*****

** $p < .05$; *** $p < .01$.

Table 8. Summarised information regarding the structural equation models

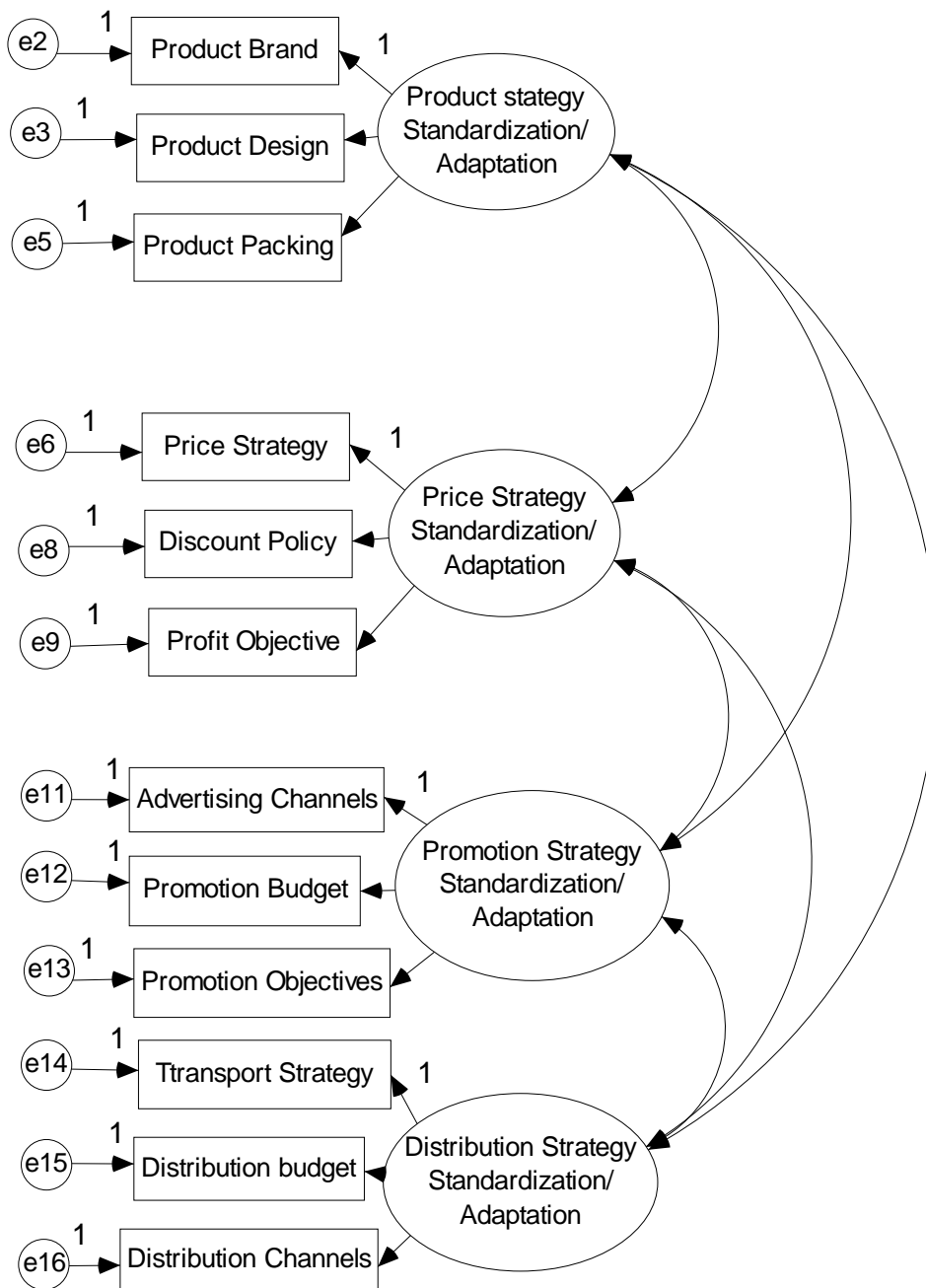|		General analysis	Multi-group analyses					
Structural equation models			Firm size (No. employees)		Technological intensity		Environmental determinants	
			1-39	40-499	Low-tech	High-tech	Low diff.	High diff.
Overall adaptation --> Objective export performance		−.010	.100	−.290*	−.027	.063	.278*	−.289*
Overall adaptation --> Satisfaction with export performance		.074	.343**	−.374**	.253*	−.160	.236	−.098
Model fit	χ²	256.3	465.4		529.3		514.3	
	d.f	179	358		358		358	
	CFI	.960	.947		.917		.923	
	RMSEA	.053	.044		.056		.053	

*$p < .1$; **$p < .05$.
Low/High diff. = Low/High home-host markets differences

Figure 1. Conceptual model

Internal and External Moderating Variables		
Firm Size	**Technological Intensity of the Industry**	**Environmental Determinants**

Overall Adaptation Degree of the International Marketing Mix

Product Strategy Standardisation/Adaptation
Product brand
Product design
Product packing

Price Strategy Standardisation/Adaptation
Price strategy
Discount policy
Profit objective

Promotion Strategy Standardisation/Adaptation
Promotion objectives
Promotion budget
Advertising channels

Distribution Strategy Standardisation/Adaptation
Transport strategy
Distribution budget
Distribution channels

H1c
H1b
H1a
H1
H2
H2a
H2b
H2c

Objective Export Performance

Number of export zones

Number of export countries

Export intensity

Satisfaction with Export Performance

Growth of the overseas sales in the main markets

Total overseas sales growth

Market share in the main markets

Total market share overseas

Results in the main markets as compared to the main competitors
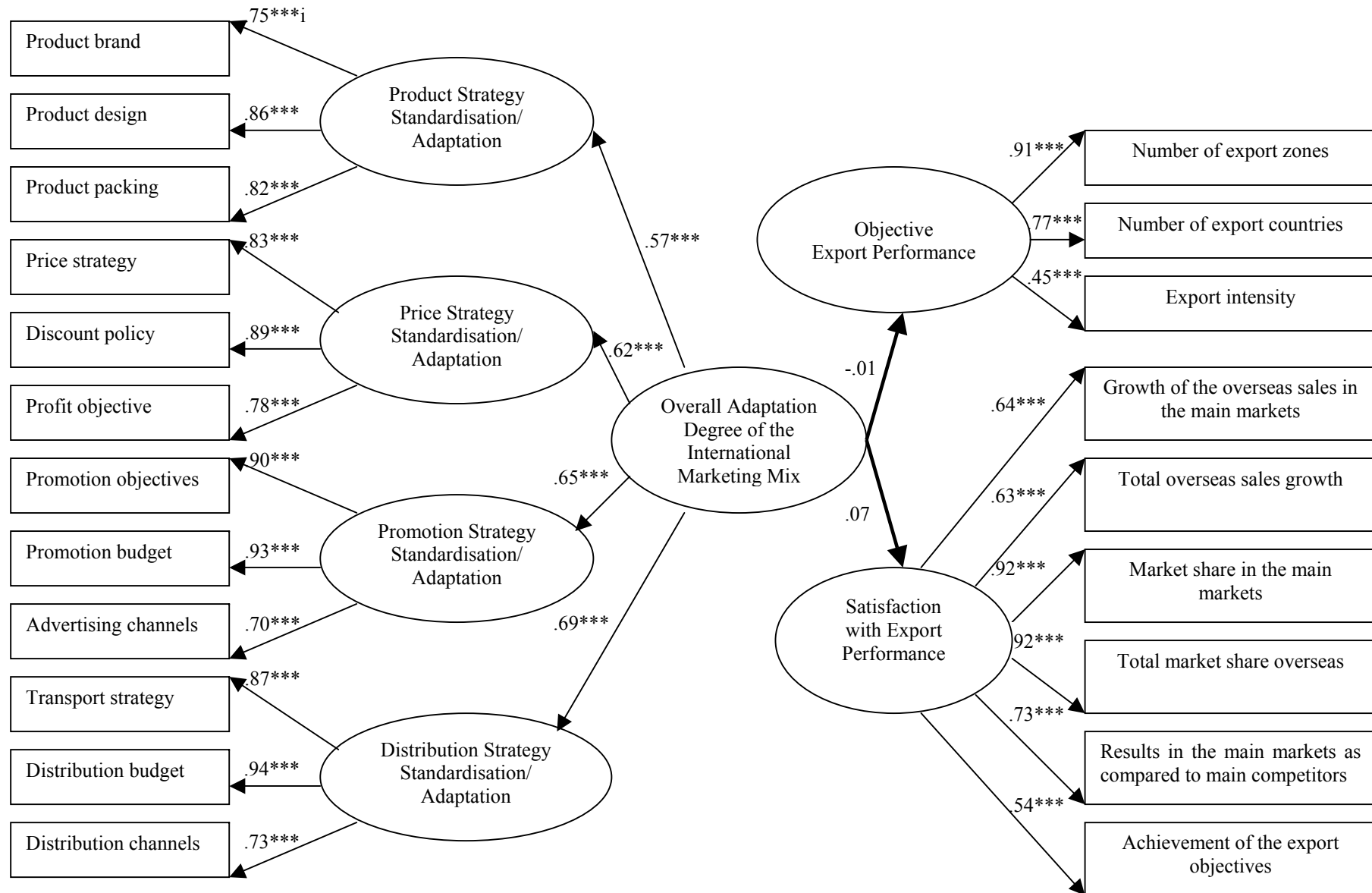
Achievement of the export objectives

Figure 2. Convergent and discriminant validity of overall adaptation degree construct

Chi-square = 89.3; d.f. = 48; (CFI) = .963; (RMSEA) = .075

Figure 3. Structural equation model

Chi-square = 256.3; d.f. = 179; (CFI) = .960; (TLI) = .953; (IFI) = .960; (RMSEA) = .053; *** p < .01
i = standarised loadings