International Standardization and Adaptation of Product Strategies –

A New Approach to a Controversial Debate in International Marketing and Management

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Abstract

When going and operating abroad, firms face the challenge of finding the optimal balance between standardizing and adapting their marketing strategies across national borders in order to be successful. In this contribution, we present the major results of a systematic literature analysis in the field of international marketing standardization/adaptation. Based on our findings, we introduce a theoretical framework combined with the concept of situation-strategy fit. This framework serves as a basis for providing theoretically grounded and empirically testable recommendations regarding performance-enhancing strategies of international product standardization/adaptation in given situations. We argue that a high degree of international product standardization is likely to enhance foreign product profit, as compared to all alternative strategies, if there is (1) a high cross-national homogeneity of demand, (2) a high potential for cross-national economies of scale, (3) a high cost of product modification, (4) a high foreign price elasticity of demand, (5) a small perceptual error of the managers, and (6) a high quality of strategy execution. By presenting the state-of-the-art knowledge in the field and by introducing a novel theoretical framework, our paper has important implications for both scholars and managers in the fields of international marketing and international business.

Key Words

Standardization, Adaptation, Globalization, Localization, Customization, International Product Strategy, Theoretical Framework, Situation-Strategy Fit.

1. Introduction

Recent decades have been characterized by an increasing internationalization of business (see, e.g., World Trade Organization, 2004; United Nations, 2009). However, it is controversial whether this internationalization is an indication of globalization or rather an expression of regionalization (see, e.g., Proff, 2002; Ghemawat, 2003; Rugman & Verbeke, 2004; Ghemawat, 2005; Rugman, 2005; Dunning et al., 2007). Moreover, it is uncertain whether, in the long run, a convergence or a divergence, especially in societal and economic domains, is a more realistic future scenario (see, e.g., de Mooij, 2003; Baddeley, 2006; Fung, 2009). Given these open questions, more than ever before, international firms face the challenge of finding the optimal balance between standardizing and adapting their marketing, particularly their marketing strategies, across national borders in order to be successful.

In international marketing and international business research, more than 300 articles addressing this issue have been published over a period of almost 50 years (see, e.g., Roostal, 1963; Elinder, 1965; Sorenson & Wiechmann, 1975; Levitt, 1983; Boddewyn et al., 1986; Kotler, 1986; Douglas & Wind, 1987; Jain, 1989; Cavusgil & Zou, 1994; Roth, 1995; Shoham, 1996; Zou & Cavusgil, 2002; Katsikeas et al., 2006; Hultman et al., 2009). Despite the large number of articles, existing literature reviews and meta-analyses in the field cast serious doubt on the achievements of previous research (see Agrawal, 1995; Shoham, 1995; Leonidou et al., 2002; Shoham, 2002; Taylor & Johnson, 2002; Ryans et al., 2003; Theodosiou & Leonidou, 2003; Melewar & Vemmervik, 2004; Waheeduzzaman & Dube, 2004; Birnik & Bowman, 2007; Cheon et al., 2007; Fastoso & Whitelock, 2007). In their literature analysis, Theodosiou & Leonidou (2003, p. 141) conclude that research on international marketing standardization/adaptation is “characterized by non-significant, contradictory, and, to some extent, confusing findings attributable to inappropriate conceptualizations, inadequate research designs, and weak analytical techniques.” In particular, Theodosiou & Leonidou (2003, pp. 167–168), along with Ryans et al. (2003, pp. 593–599) and Birnik & Bowman (2007, p. 316), state that the relevant variables and their relationships are often not adequately covered by previous research designs and that existing research is primarily descriptive, not leading to theoretically grounded recommendations to managers. However, previous literature reviews and meta-analyses in the field investigate only a small fraction of all 300 articles and do not provide detailed recommendations with regard to future research frameworks and theoretical foundations. Therefore, the goals of the present contribution are twofold:

First, we will present the major results of our own literature analysis in the field of international marketing standardization/adaptation. Our analysis extends previous meta-analytic investigations by covering more than 300 articles and by critically assessing the existing research based on specific methodological and theoretical criteria. In doing so, we will focus on a quantitative frequency analysis, complemented by qualitative investigations.

Second, based on our findings, we will introduce a theoretical framework focusing on the strategy of international product standardization/adaptation. Our framework integrates normative-theoretical considerations and the concept of situation-strategy fit (see Drazin & van de Ven, 1985; Venkatraman, 1989). Therefore, the framework shall serve as a basis for providing theoretically grounded and empirically testable recommendations regarding performance-enhancing strategies of international product standardization/adaptation in given situations.

2. Literature Analysis

2.1. Scope of the Analysis

For our literature analysis, we performed a systematic search in all 66 English-language marketing journals and all 77 English-language business/management journals covered by the Harzing (2009) Journal Quality List. We did not limit our search to a specific publication period, instead including all relevant articles irrespective of their publication dates. The reference date of our search is December 31, 2009. The search was carried out with the help of the *EBSCOhost Business Source® Complete* database. All articles not included in the database as full text documents were obtained as hard copies.

To be considered in our analysis, an article's title and/or abstract had to contain at least two of the following search terms, with at least one term being part of group 1 and at least one term being part of group 2:

(1) standardi*, adapt*, differentiat*, customi*, local*, speciali*, modif*.

(2) internatio*, multinatio*, natio*, global*, world*, regio*, MNC*, MNE*, export*.

We chose the group 1 search terms to account for the various synonyms of "adaptation" used in marketing and business/management literature, namely, "differentiation", "customization", "localization", "specialization", and "modification". We opted for the group 2 search terms to ensure that only those articles are included that deal with standardization/adaptation across national borders. In addition, we used wildcard asterisks (*) to include both American English and British English spellings (e.g., "standardization" and "standardisation") as well as singular nouns, plural nouns, verbs, adjectives, and participles (e.g., "MNC" and "MNCs" as well as "internationalize", "international", and "internationalized").

In a final step, we studied the abstracts of all resulting articles to ensure that the analyzed articles in fact deal (completely or partly) with the issue of *international* standardization/adaptation of *marketing*. All articles dealing with related topics, such as relationship adaptation, were only included if they explicitly address the topic of interest. By using this search algorithm, we finally arrived at 330 articles from 52 journals, with 250 articles (76%) published in marketing journals and 80 articles (24%) published in management journals. As our literature analysis shows, more than 40% of these 330 articles have been published within the last seven years.

2.2. Framework of the Analysis

To assess the existing articles on international marketing standardization/adaptation, we must determine how far these articles contribute to the advancement of knowledge in the field of research. Therefore, as shown in Figure 1, it first must be investigated whether the studies use research designs that are capable of addressing at least one of the major research objectives/questions in the field.

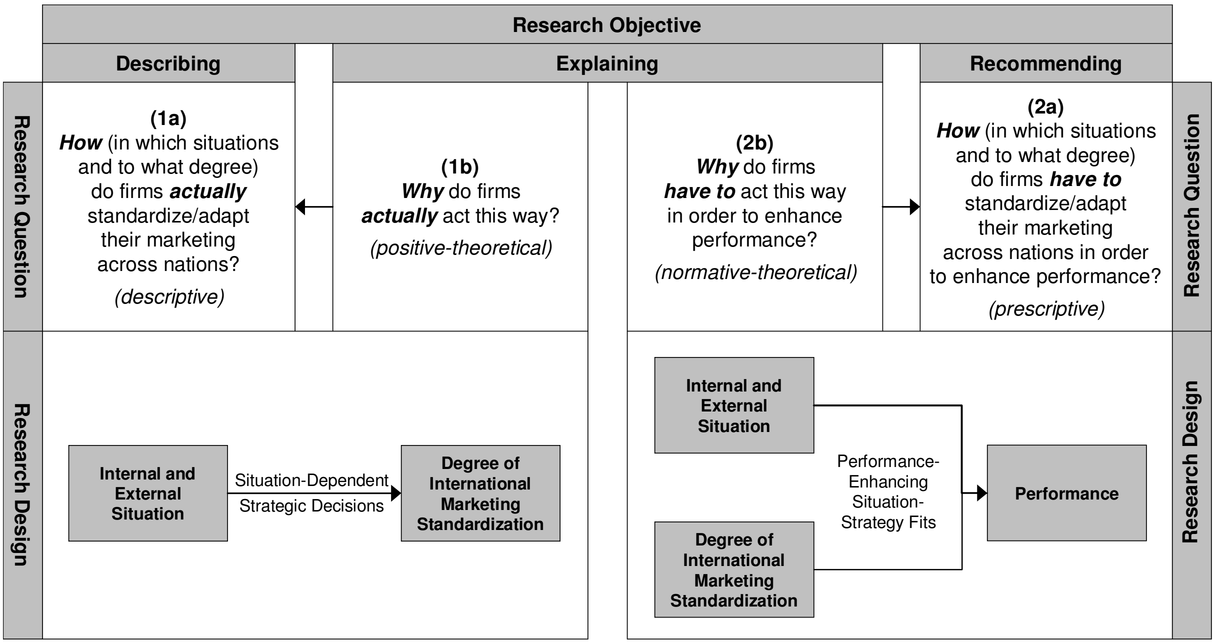

Figure 1. Major research objectives, research questions, and research designs related to the phenomenon of international marketing standardization/adaptation

As different research objectives/questions require different research designs, a critical assessment of the studies' research designs, differentiated by the research objective/question, is indicated before analyzing the studies' research findings:

(1) Those studies aiming to describe how (see research question 1a) and/or to positive-theoretically explain why (see research question 1b) firms actually standardize/adapt in a certain way need to investigate the actual strategic decisions made by managers concerning the degree of international marketing standardization/adaptation, based on the situational factors that influence these decisions (for a distinction between positive and normative theories, see,

e.g., Donaldson, 2005). This logic builds upon the contingency approach (see, e.g., Zeithaml et al., 1988; Pennings, 1992), assuming that managers make their decisions depending on (their perception of) the firm's situation[1] (see also Anderson & Paine, 1975; Glaister & Thwaites, 1993; Walters et al., 2008, p. 247). Therefore, the decision-relevant situational factors and their actual influence on managers' strategic decision-making have to be considered in order to understand how and why specific standardization/adaptation decisions are taken within firms.

(2) Those studies attempting to provide recommendations regarding firms' standardization/ adaptation (see research question 2a) and/or to normative-theoretically ground these recommendations (see research question 2b) need to identify performance-enhancing "fits" between the firm's strategy of international marketing standardization/adaptation and specific situations. The reason for this is that the likelihood of a firm's strategy to enhance performance is highest if it fits the (internal and external) situation in which the strategy is pursued. Therefore, the pivotal question is not if, but in which situation a specific degree of international marketing standardization/adaptation is likely to enhance the firm's (financial and/or non-financial) performance. Originating from strategy and organization literature (see, e.g., Venkatraman & Camillus, 1984; Parnell et al., 1996; Geiger et al., 2006), the concept of fit has been successfully transferred to international marketing research (see, e.g., Katsikeas et al., 2006; Xu et al., 2006; Hultman et al., 2009; Schilke et al., 2009). Depending on the degree of specificity and on the existence of a criterion variable (typically, performance), the concept of fit can be modeled in six different ways: as moderation (interaction of variables), mediation (intervention of variables), profile deviation (adherence of variables to an ideal profile), matching (predefined match of variables), covariation (internal consistency of variables), or

[1] When using the term "situation", we embrace both the firm's internal situation (e.g., its resources and organizational structure) and the firm's external situation (e.g., its macro and micro environments).

gestalts (internal congruence among variables) (for details, see Venkatraman, 1989). In our analysis, we will investigate whether the existing studies on international marketing standardization/adaptation use the concept of fit in an appropriate way when providing and/or theoretically grounding strategic recommendations to managers.

As stated above, our framework in section 3 shall serve as a basis for providing theoretically grounded recommendations to managers. In the following, we will therefore outline only those major results of our systematic literature analysis that are concerned with research questions 2a and 2b in Figure 1. In our analysis, we not only aim to examine what the existing studies investigate (research areas) but also how the existing studies carry out their investigations (research methodology) and what the results of these investigations are (research findings). In doing so, we focus on a quantitative frequency analysis, complemented by qualitative investigations. Our analysis is structured as follows:

- Analysis of articles that provide recommendations: *How* (in which situations and to what degree) do firms *have to* standardize/adapt their marketing across nations in order to enhance performance (research question 2a in Figure 1)?
- Analysis of articles that theoretically ground their recommendations: *Why* do firms *have to* standardize/adapt their marketing across nations (in a specific situation and to a specific degree) in order to enhance performance (research question 2b in Figure 1)?

2.3. Results of the Analysis

2.3.1. Analysis of Articles that Provide Recommendations

In all, 274 out of the 330 articles (83%) attempt to give recommendations how (in which situations and/or to what degree) firms have to standardize/adapt their marketing across nations in order to enhance performance.[2] Of the 274 articles, 78% base their recommendations on empirical findings; that is, they attempt to identify existing strategy patterns in practice that (seem to) have proved successful in the past; 15% of the articles follow a qualitative and 63% a quantitative research approach. The remaining 22% of the 274 articles are of a conceptual nature; that is, they aim to derive promising strategies from logical considerations. However, as we will subsequently demonstrate, 94% of the 274 articles do not theoretically ground their recommendations. Instead, most articles' recommendations are based on logical-intuitive thinking (if conceptual) or on data mining (if empirical) (for the shortcomings of data mining, such as arbitrariness, retrospectivity, and spatiotemporal instability, see, e.g., Shugan, 2002).

With regard to the research design, only 32 out of the 274 articles (12%) draw on the concept of situation-strategy fit. This is quite surprising, as applying the concept of fit is necessary for considering that the performance outcome of a firm's strategy depends on the fit between the strategy and the respective (internal and external) situation (see again Venkatraman & Camillus, 1984; Parnell et al., 1996). Nonetheless, only 32 articles explicitly consider the relevant variable groups and their relationships, which are necessary for identifying performance-enhancing strategies in given situations, as illustrated in Figure 1. Out of these 32 articles, 15 articles model the concept of fit as moderation, 12 articles as mediation, two articles as matching, one article as profile deviation, one article as gestalts, and one article builds upon four different models of fit simultaneously. Table 1 summarizes the major research findings of the 32 articles that are based on the concept of fit.

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[2] By comparison, 234 out of the 330 articles (71%) aim to describe how (in which situations and/or to what degree) firms actually standardize/adapt their marketing across nations (see research question 1a in Figure 1). This shows that a high number of articles cover both descriptive and prescriptive aspects.

	Underlying Concept of Fit[1]	Research Findings[2]
Jain (1989)	Fit as moderation	(n/a)
Cavusgil & Zou (1994)	Fit as mediation	If firms want to adapt their products and communication to foreign countries they need to have: - High international competence
Shoham & Albaum (1994)	Fit as moderation	(n/sig)
Roth (1995)	Fit as moderation	Firms have to adapt their products' brand images to foreign countries if there are high cross-national differences in: - Cultural power distance - Cultural individualism - National socioeconomic conditions - Intermarket socioeconomic conditions
Shoham (1996)	Fit as moderation	If firms want to adapt their number of product lines, prices, and distribution channels to foreign countries they need to have: - High usage of planning tools
Lemak & Arunthanes (1997)	Fit as moderation	(n/a)
Stewart (1997)	Fit as mediation	(n/sig)
Lages (2000)	Fit as mediation	(n/a)
O'Donnell & Jeong (2000)	Fit as moderation	Firms have to standardize their marketing strategies across nations in the following situation: - High-tech industrial products Furthermore, cross-national standardization of marketing strategies requires: - Long marketing experience
Pae et al. (2002)	Fit as moderation	Firms have to standardize their advertising across nations in the following situation: - High foreign consumer familiarity with the brand
Tai & Pae (2002)	Fit as moderation	Firms have to standardize their advertising across nations in the following situations: - High foreign consumer familiarity with the brand - Durable product
Zou & Cavusgil (2002)	Fit as mediation	If firms want to standardize their products, pricing, and communication across nations they need to have: - Long international experience
O'Cass & Julian (2003a)	Fit as mediation	(n/sig)
O'Cass & Julian (2003b)	Fit as mediation	Firms have to adapt their marketing strategies to foreign countries in the following situations: - Small firm size - Unique product characteristics - High cross-national differences in the political/legal macro environments and in industry characteristics
Florin & Ogbuehi (2004)	Fit as moderation	(n/a)
Subramaniam & Hewett (2004)	Fit as moderation	Headquarters and foreign subsidiaries have to highly cooperate with each other when standardizing/adapting their product designs across nations
Lages & Montgomery (2005)	Fit as mediation	Firms have to adapt their pricing to foreign countries in the following situation: - Export assistance by public policy makers Furthermore, country-specific adaptation of pricing requires: - Long international experience
Calantone et al. (2006)	Fit as mediation	Firms have to adapt their products to foreign countries in the following situations: - High export dependence - High degree of product adaptation practiced in the industry - High cross-national differences in the business environment

	Underlying Concept of Fit[1]	Research Findings[2]
Dow (2006)	Fit as profile deviation	Firms have to adapt their products to foreign countries in the following situations: - High relative cost and quality of the factor inputs for the foreign competitors - Long transportation time to the foreign country Furthermore, firms have to adapt their advertising, branding, and sales force to foreign countries in the following situations: - High intensity of foreign competition - Long transportation time to the foreign country
Javalgi et al. (2006)	Fit as moderation	(n/a)
Katsikeas et al. (2006)	Fit as matching	Firms have to standardize their marketing strategies across nations in the following situations: - Cross-national similarity in regulatory conditions, customs and traditions, consumer characteristics, stage in the product life cycle, and level of competitive intensity - High technological intensity and velocity
Lim et al. (2006)	Fit as gestalts	Firms have to standardize their marketing strategies across nations in the following situation: - High cross-national similarity in customer tastes and preferences - Absence of foreign regulations - High potential for economies of scale in marketing - Presence of global competitors - Foreign subsidiary is a specialized contributor (wide geographic but narrow functional responsibilities, moderate autonomy, high dependence on headquarters, high interdependence among subsidiaries)
Xu et al. (2006)	Fit as moderation, mediation, profile deviation, and covariation	If firms want to standardize their marketing strategies across nations they need to have: - Global organizational structure - Global management processes
Ko et al. (2007)	Fit as moderation	Firms have to standardize their advertising across nations in the following situation: - Cross-national consumer segments
Chung (2008)	Fit as moderation	(n/sig)
Evans et al. (2008)	Fit as mediation	Firms have to standardize their marketing strategies across nations, irrespective of cross-national cultural and business distance
Grewal et al. (2008)	Fit as moderation	Firms have to standardize their marketing strategies across nations in the following situations: - Low dependence on the foreign task environment - High dynamics of the foreign task environment
Sousa & Bradley (2008)	Fit as mediation	Firms have to standardize their pricing across nations in the following situation: - High cross-national similarity in the environment Furthermore, cross-national standardization of pricing requires: - Long international experience
Chung (2009)	Fit as mediation	Firms have to standardize their products and pricing across nations in the following situation: - High cross-national similarity in the economic and cultural market environments
Hultman et al. (2009)	Fit as matching	Firms have to standardize their products, distribution, and communication across nations in the following situations: - Cost leadership strategy - High degree of cross-national coordination of marketing activities - High number of foreign markets operated - High product homogeneity - Large firm size
Schilke et al. (2009)	Fit as moderation	Firms have to adapt their products to foreign countries in the following situations: - High cross-national differences in the economic and sociocultural macro environments - High cross-national differences in the marketing infrastructure and stage of the product life cycle - Specific experience with the export venture market - Long duration of the export venture

	Underlying Concept of Fit[1]	Research Findings[2]
Sousa & Lengler (2009)	Fit as mediation	Firms have to adapt their products and communication to foreign countries in the following situation: - High cross-national psychic distance In contrast, firms' pricing and distribution have to be standardized across nations
n/a = not applicable, since conceptual. n/sig = not significant. (1) See Venkatraman (1989). In line with Venkatraman (1989), only those mediational models that distinguish between complete and partial mediation are considered. (2) Only those research findings that are significant with respect to the applied concept of fit are stated.		

Table 1. Articles on international marketing standardization/adaptation that aim to provide recommendations based on the concept of fit

As can be seen from Table 1, many studies that are based on the concept of fit yield valuable results. For instance, Roth (1995) empirically supports the importance of adapting brand images to foreign countries if there are cross-national differences in cultural and socioeconomic market conditions. Katsikeas et al. (2006) take a similar approach by showing that firms have to standardize their marketing strategies across nations if, for example, regulatory conditions, customs, traditions, and consumer characteristics are homogeneous across borders. However, other scholars challenge these findings. For instance, Evans et al. (2008) illustrate that adapting marketing strategies to culturally distant foreign countries has a negative effect on firm performance. As we will demonstrate in section 2.3.2, a main reason for these inconsistencies may be the fact that the vast majority of studies do not systematically and comprehensively derive their hypotheses (regarding performance-enhancing situation-strategy fits) based on a (normative) theory. Furthermore, most studies differ in terms of the analyzed strategy elements and with regard to their definition of performance. Consequently, previous research findings are fragmentary and, to some extent, even contradictory, as has already been pointed out (see, e.g., Theodosiou & Leonidou, 2003; Birnik & Bowman, 2007). In addition to these weaknesses of the 32 fit-based articles, the remaining 242 articles whose recommendations do not rely on the concept of fit are built upon three arguable assumptions:

First, those articles that provide recommendations without considering the specific situation in which a particular degree of international marketing standardization/adaptation is applied (17%) make the assumption that a strategy's performance outcome is situationally independent. However, as has already been demonstrated, the same strategy can lead to high performance in one situation and low performance in another (see Theodosiou & Leonidou, 2003, p. 168). Second, those articles that give recommendations without investigating the (financial or non-financial) performance outcome of a specific degree of international marketing standardization/adaptation (71%) assume that markets are completely efficient and that all strategies that can be observed in practice must have proved successful in the past. However, as shown by O'Connor (1994), firms can continue to exist for many years, although (parts of) their strategies are far from being advantageous. Third, those articles that provide recommendations by considering the respective situation and the performance outcome of a specific degree of international marketing standardization/adaptation but that disregard the performance-relevant situation-strategy fit (12%) make the assumption that managers of firms are rationally unbounded. In other words, these studies analyze only those situational factors that managers actually consider in their strategic decision-making (research question 1a in Figure 1) and equate them with those situational factors that have to be considered in a specific way in order to enhance performance (research question 2a in Figure 1). Therefore, the studies assume that managers of firms always consider all performance-relevant situational factors accurately. However, managers can be regarded as being rationally bounded (see Simon, 1978, 1991; March, 1994; Shoham, 1999), and recommendations based on the described assumption should thus be viewed with caution.

With regard to the research areas, 65% of the 274 articles analyze the firms' international product strategies, 43% international pricing strategies, 42% international distribution strategies, 77% international communication strategies, and 8% international marketing processes.

The research findings of the 274 articles are relatively heterogeneous: 8% of the articles generally recommend international standardization, 14% generally suggest international adaptation, and 68% of the articles conclude that firms have to make their decisions based on the specific situation. However, as shown above, the latter are fragmentary and, to some extent, even contradictory, as far as the concrete effects of the several situational factors are concerned. The remaining 10% of the articles cannot provide specific recommendations related to international marketing standardization/adaptation. An overview of the most important situational effects is presented in the contribution by Birnik & Bowman (2007). Table 2 summarizes the major situational factors, strategy elements, and performance variables analyzed in previous research.

Analyzed Situational Factors	Analyzed Strategy Elements	Analyzed Performance Variables
Environment-related factors: cross-national similarity in the economic, social, cultural, political, legal, physical, and technological environments **Market-related factors:** foreign market size; cross-national similarity in marketing infrastructure, distribution infrastructure, and advertising media availability **Consumer-related factors:** cross-national similarity in consumer characteristics/behavior, tastes/preferences, and usage patterns **Competition-related factors:** cross-national similarity in competition; structure, nature, and intensity of foreign competition **Product-related factors:** product type; technological intensity; stage of the product life cycle **Organization-related factors:** country of origin; nature of ownership; organizational structure; firm size; foreign sales; foreign market share **Management-related factors:** EPRG orientation; international commitment; international experience; marketing experience; formalization of decision-making; centralization in decision-making; centralization in value-adding activities; generic strategy; foreign market entry mode	**Product strategy:** general product strategy; product name; product positioning; product features/ characteristics; product design/style; product quality; product packaging; product branding; product labeling; product services; product warranty; items/models in product line **Pricing strategy:** general pricing strategy; pricing method; retail price; wholesale price; profit margins; price discounts; sales/credit terms **Distribution strategy:** general distribution strategy; distribution channels; physical distribution; type/role of middlemen/retail outlets; sales force structure/management/role **Communication strategy:** general communication strategy; advertising; creative/execution style; message/theme; media allocation; sales promotion; public relations; personal selling; advertising/communication budget	**Financial performance:** foreign profit; foreign sales; foreign market share; growth in foreign profit/ foreign sales/foreign market share; return on sales; return on investment; return on assets; cash flow **Non-financial performance:** goal achievement; satisfaction with performance; customer satisfaction; customer retention; customer referral; acquisition of new customers; foreign consumer attitude toward the firm/ product; foreign consumer purchase intention
Source: According to Theodosiou & Leonidou (2003, pp. 149–156), Birnik & Bowman (2007, pp. 308–311), complemented by own research.		

Table 2. Major situational factors, strategy elements, and performance variables analyzed in research on international marketing standardization/adaptation

Given the identified methodological weaknesses of previous studies, future meta-analyses in the field have to control for these weaknesses when calculating cross-study effect sizes. Otherwise, meta-analyses cannot arrive at sound and situation-specific recommendations, as recent attempts in this area reveal (see Leonidou et al., 2002; Shoham, 2002; Cheon et al., 2007; for the problem of "garbage-in garbage-out" associated with meta-analyses, see also Rosenthal & DiMatteo, 2001, pp. 66–67). In section 3, we will introduce a framework that is intended to overcome the identified weaknesses of previous research in the field.

2.3.2. Analysis of Articles that Theoretically Ground Their Recommendations

Only 5% of the articles (17 out of 330) aim to theoretically ground why firms have to standardize/adapt their marketing across nations (in a specific situation and/or to a specific degree) in order to enhance performance.[3] These articles do not simply base their recommendations on logical-intuitive thinking (if conceptual) or on data mining (if empirical); instead, they contain normative theories for deductively deriving performance-enhancing strategies of international marketing standardization/adaptation. Table 3 summarizes the major theoretical conclusions of these 17 articles. In this context, we do not regard the contingency approach, the resource-based view, or the industrial organization school as normative theories because they are conceptual frameworks or schools of thought stressing only the *general* influence of a firm's internal and/or external situation on strategy and performance (see also Zeithaml et al., 1988; Conner, 1991; Priem & Butler, 2001; Lockett et al., 2009). Therefore, the contingency approach, the resource-based view, and the industrial organization school alone do not allow for a deductive derivation of hypotheses regarding *specific* performance-enhancing strategies of international marketing standardization/adaptation.

[3] In contrast, only four out of the 330 articles (1%) aim to theoretically explain why firms actually standardize/adapt their marketing across nations in a certain way (see research question 1b in Figure 1). These positive-theoretical contributions include the articles by Shoham (1999), Robles (2002), Javalgi et al. (2006), and Okazaki et al. (2007).

	Theoretical Basis	Theoretical Conclusion
Klippel & Boewadt (1974)	Cognitive consistency theory	Firms have to standardize/adapt their advertising strategies across nations depending on cross-national similarities/dissimilarities in cultural and social factors as well as in the importance attached to specific product attributes in the several countries
Friedmann (1986)	Theory of psychological meaning	Firms have to adapt their marketing strategies to foreign countries according to cross-cultural differences in the psychological meaning of products
Samiee & Roth (1992)	Theory of profit maximization	In the absence of cross-national market segments, firms have to adapt their marketing strategies to foreign countries in order to discriminate prices and increase customer loyalty
Alden et al. (1993)	Humor theory	Firms have to standardize their humorous advertising across nations with regard to the incongruity-resolution element
Shoham & Albaum (1994), Shoham (1996)	Theory of profit maximization	Firms have to adapt their marketing strategies to foreign countries because the revenue-maximizing effect of price discrimination and strategic flexibility in the case of international adaptation is larger than the cost-minimizing effect of economies of scale in the case of international standardization
	Theory of friction	Firms have to adapt their marketing strategies to foreign countries in order to reduce friction between headquarters and foreign subsidiaries
Alden et al. (1999)	Semiotics theory	Firms have to standardize/adapt their brand positioning across nations (global, foreign, local) depending on cross-national similarities/dissimilarities in consumer culture with regard to the meanings of verbal, thematic, and visual signs
Littrell & Miller (2001)	Diffusion theory	Firms have to adapt innovative products to foreign countries in order to decrease consumers' perceived complexity of the products and to increase consumers' perceived familiarity and compatibility with the products
Bianchi & Arnold (2004), Bianchi & Ostale (2006)	Institutional theory	Firms have to adapt their retailing strategies to foreign countries in order to become legitimated abroad
Callow & Schiffman (2004)	Contextual communication theory	Firms have to adapt their advertisements to foreign countries depending on the countries' culture with regard to context orientation
Caruana & Abdilla (2005)	Psycholinguistic theory	When targeting foreign bilingual consumers, firms have to adapt their advertising messages to the first language of the consumers
	Sociolinguistic theory	When targeting foreign bilingual consumers, firms have to adapt their advertising messages to the colloquial language of the consumers
Merrilees et al. (2005)	Stakeholder theory	Firms have to rebuild or reposition their global brands in foreign countries in order to meet the needs of foreign stakeholders
Merz et al. (2008)	Categorization theory	Firms have to standardize their marketing strategies across nations with regard to the functional meanings of objects at the superordinate and basic category levels, while they have to adapt their marketing strategies to foreign countries with regard to the symbolic meanings of objects at the subordinate category level; the remaining meanings of objects require mixed strategies
Shoham et al. (2008)	Institutional theory	Firms have to both partly standardize and partly adapt their marketing processes across nations in order to become legitimated both in the home country and in the various host countries
Cui & Yang (2009)	Congruency theory	Firms have to adapt their advertisements to foreign countries in order to increase foreign consumers' responsiveness to the advertisements
Hultman et al. (2009)	Institutional theory	Firms have to adapt their products to foreign countries' macro environments in order to become legitimated abroad

Table 3. Articles on international marketing standardization/adaptation that aim to theoretically ground their recommendations

As can be seen from Table 3, many articles contain valuable theories for deriving hypothesis-based recommendations with regard to performance-enhancing strategies of international marketing standardization/adaptation. For instance, Alden et al. (1993) base their explanations on humor theory and argue that firms have to standardize their humorous advertising across nations, at least with regard to specific culture-free elements of humor. Shoham & Albaum (1994) and Shoham (1996) build their work on profit-theoretical considerations and state that firms have to adapt their marketing strategies to foreign countries because the revenue-maximizing effect of price discrimination and strategic flexibility in the case of international adaptation is always larger than the cost-minimizing effect of economies of scale in the case of international standardization. Littrell & Miller (2001) use diffusion theory to show that firms have to adapt innovative products to foreign countries in order to decrease consumers' perceived complexity of the products and to increase consumers' perceived familiarity and compatibility with the products. However, only a very limited number of articles provide hypotheses regarding performance-enhancing strategies, which are deductively derived from a clear definition of performance, namely, profit (Samiee & Roth, 1992; Shoham & Albaum, 1994; Shoham, 1996), consumer acceptance (Littrell & Miller, 2001), positive consumer attitude (Cui & Yang, 2009), and consumer purchase intention (Littrell & Miller, 2001; Cui & Yang, 2009). Furthermore, the theoretical contributions do not integrate the concept of situation-strategy fit for systematically and comprehensively deriving performance-enhancing strategies in given situations. As a consequence, most theoretically grounded recommendations are neither comprehensive nor situation-specific. Hence, as has already been pointed out (see, e.g., Ryans et al., 2003; Theodosiou & Leonidou, 2003; Birnik & Bowman, 2007), there is still a high need for further theoretical sophistication in the field of international marketing standardization/adaptation.

3. Theoretical Framework and Propositions

3.1. Theoretical Framework

The high number of articles providing recommendations to managers reflects the strong prescriptive orientation of previous research in the field of international marketing standardization/adaptation. However, while only 12% of the articles' recommendations are based on the concept of situation-strategy fit and only 5% on a normative theory, none of the existing articles integrates both the concept of fit and a normative theory for systematically and comprehensively deriving performance-enhancing strategies of international marketing standardization/adaptation in given situations. Consequently, as shown above, previous research findings differ greatly in terms of their practical implications for managers.

In order to overcome the identified weaknesses of previous research, we will introduce a normative-theoretical framework combined with the concept of situation-strategy fit. Based on our framework, we aim to provide theoretically grounded and empirically testable recommendations regarding performance-enhancing strategies of international standardization/adaptation in given situations. Our framework will focus on the international product strategy of firms (international standardization/adaptation of product name, product features, product design, product quality, and product packaging). Other elements of the international marketing strategy (pricing, distribution, and communication) as well as the international marketing processes will not be captured directly. The reason for this focus is that the products of a firm constitute the firm's central market offering, whereas pricing, distribution, and communication represent supporting factors for conditioning, delivering, and promoting this market offering (see, e.g., Kotler et al., 2009, pp. 487–610). Furthermore, decisions on international standardization/adaptation of products are the most cost-relevant ones and therefore directly related to a firm's financial performance (see, e.g., Walters & Toyne, 1989, pp. 37-39). For the purposes of our normative-theoretical framework, we will define performance as foreign product profit.[4] Figure 2 highlights the research questions and the research design addressed by our framework.

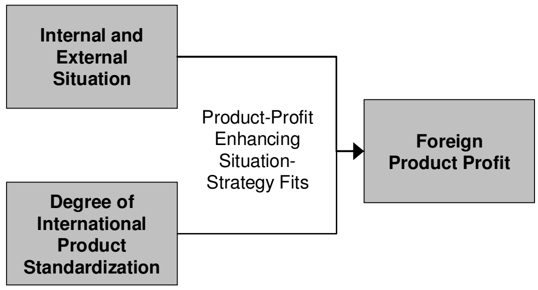
Research Questions	Research Design
How (in which situations and to what degree) do firms ***have to*** standardize/adapt their ***product*** strategies across nations in order to enhance ***foreign product profit****?* (see also research question 2a in Figure 1) ***Why*** do firms ***have to*** standardize/adapt their ***product*** strategies across nations (in a specific situation and to a specific degree) in order to enhance ***foreign product profit****?* (see also research question 2b in Figure 1)	

Figure 2. Research questions and research design addressed by the theoretical framework

As depicted in Figure 2, we intend to theoretically derive product-profit enhancing "fits" between the firm's strategy of international product standardization/adaptation and specific (internal and external) situations, thus integrating and advancing existing work on the situation-strategy fit (see again Katsikeas et al., 2006; Xu et al., 2006; Hultman et al., 2009; Schilke et al., 2009) and previous profit-theoretical considerations (see again Samiee & Roth, 1992; Shoham & Albaum, 1994; Shoham, 1996). Hence, those situational factors are to be identified that *have to* be taken into account by firms in a certain way for enhancing their foreign product profit when making their situation-specific decisions on international product standardization/adaptation. In contrast, it is not our objective to derive those situational factors that *actually* influence managers' strategic decision-making.

To identify product-profit enhancing strategies of international product standardization/adaptation in given situations, the situation-specific effect of these strategies on the different ele-

[4] We opt for this definition, as we are convinced that decisions on international product standardization/adaptation are ultimately a trade-off between revenue and cost considerations and therefore directly linked to a firm's foreign product profit (see, e.g., Samiee & Roth, 1992; Shoham & Albaum, 1994; Shoham, 1996). Of course, we are aware that in reality firms do not necessarily strive for the profit enhancement of all their products in all foreign countries, e.g., due to strategic considerations, other objectives than profit enhancement, or managerial deficiencies. However, this is not contradictory to our normative-theoretical framework, as we do not intend to explain what actually occurs within firms but to provide theoretically grounded recommendations to those firms that aim to enhance their foreign product profit. For a discussion of different performance measurements, see also Hult et al. (2008).

ments of the product-profit function, as described in (1), has to be investigated (for the following considerations, see also Kumbhakar, 2006; Varian, 2006; Asche et al., 2007).[5]

(1) $pp = p * qs - c * qp$

[pp = product profit, p = price per unit, qs = quantity sold, c = total cost per unit, qp = quantity produced]

It is important to note that the different elements of the product-profit function are interdependent, as presented in (1.1) to (1.4):

(1.1) $\Delta qs > 0 \Rightarrow \Delta qp > 0$; where $qs \approx qp$

(1.2) $\Delta qp > 0 \Rightarrow \Delta c < 0$

(1.3) $\Delta c > 0 \Rightarrow \Delta p > 0$

(1.4) $\Delta p > 0 \Rightarrow \Delta qs < 0$

We assume this for the following reasons:

(1.1) There is a positive relationship between *qs* and *qp*; that is, an increase in the quantity of products sold (*qs*) leads to an increase in the quantity of products produced (*qp*). The reason for this is that the planned *qp* for t = 1 primarily depends on the expected *qs* for t = 1, which, in turn, especially depends on the current *qs* for t = 0.

(1.2) There is a negative relationship between *qp* and *c*; that is, an increase in the quantity of products produced (*qp*) leads to a decrease in the total cost per unit (*c*). The size of this effect primarily depends on the potential for cost savings by realizing economies of scale through mass production.

(1.3) There is a positive relationship between *c* and *p*; that is, an increase in the total cost per unit (*c*) usually leads to an increase in the price per unit (*p*). This is because the price per unit results from the cost per unit plus mark-up, while also taking demand- and competition-related factors into account.

[5] For the sake of clarity, we will use product profit instead of foreign product profit in the following equations.

(1.4) Finally, there is a negative relationship between p and qs; that is, an increase in the price per unit (p) usually leads to a decrease in the quantity of products sold (qs).[6] The size of this effect depends on the price elasticity of demand.

Taking equation (1) and its interdependencies (1.1) to (1.4) into account, a specific strategy of international product standardization/adaptation can be regarded as enhancing foreign product profit, compared to all alternative strategies, if it fulfills the following two requirements (see again Kumbhakar, 2006; Varian, 2006; Asche et al., 2007):

(2.1) $\Delta(c * qp) < \Delta(p * qs)$; with $\Delta c < 0 \vee \Delta p > 0 \vee \Delta qs > 0$

(2.2) $1 + \dfrac{\Delta qs}{qs} > \dfrac{1}{1 + \dfrac{\Delta(p-c)}{p-c}}$

(2.1) A specific strategy of international product standardization/adaptation leads to an increase in foreign product profit if the potential increase in total cost associated with the strategy is smaller than a possible increase in revenue, or vice versa, if the potential decrease in total cost associated with the strategy is larger than a possible decrease in revenue. Of course, the best case would be a strategy that both decreases total cost and increases revenue. As will subsequently become apparent, such a strategy in fact exists.

(2.2) Furthermore, a specific strategy of international product standardization/adaptation can lead to an increase in foreign product profit if it allows for a relative increase in the quantity of products sold that is larger than a possible relative decrease in the profit margin, or vice versa, if it allows for a relative increase in the profit margin that is larger than a possible relative decrease in the quantity of products sold. Again, the best case would be a strategy that increases both the profit margin and the quantity of products sold. However, because the price elasticity of demand is usually negative, as shown in (1.4), this case is rather rare.

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[6] According to the Veblen effect, luxury goods can, in some cases, be an exception to this rule (see, e.g., Leibenstein, 1950; Bagwell & Bernheim, 1996).

When looking for product-profit enhancing situation-strategy fits as shown in Figure 2, the fit between the firm's strategy of international product standardization/adaptation and specific (internal and external) situations has to be taken into account. Therefore, the pivotal question is, in which situations does a high degree of international product standardization fulfill requirements (2.1) and (2.2), and in which situations does a low degree of international product standardization, i.e., a high degree of international product adaptation, fulfill these requirements? In the following section, we aim to answer this question from the perspective of a high degree of international product standardization, while assuming the opposite answers to hold true for a low degree of international product standardization.

3.2. Propositions

The fulfillment of requirement (2.1) depends on the question of how a high degree of international product standardization affects the total cost per unit (*c*), the price per unit (*p*), and the quantity of products sold (*qs*). As far as *p* and *qs* are concerned, those situations must be identified in which a high degree of international product standardization leads to an increase in the achievable price per unit and/or in the quantity of products sold. As the achievable price per unit (*p*) is directly linked to consumers' willingness to pay (*wtp*) and as the quantity of products sold (*qs*) is directly linked to the quantity of products demanded (*qd*), those situations must be found in which a high degree of international product standardization leads to an increase in *wtp* and/or in *qd*. This is the case if there are markets with a high cross-national homogeneity of demand that ask for similar or identical products across nations (e.g., due to low cultural distance between countries, cross-national image spillover effects, or supranational laws).

> *Proposition 1: A fit between a high [medium; low] cross-national homogeneity of demand for a specific product and a high [medium; low] degree of international product standardization enhances foreign product profit.*

With regard to the total cost per unit (*c*), a distinction must be made between (A) a change in the total cost per unit depending on a change in the quantity of products produced and (B) a change in the total cost per unit at a constant quantity of products produced.

(A) According to relation (1.2), an increase in the quantity of products produced (*qp*) leads to a decrease in the total cost per unit (*c*). The size of this effect primarily depends on the potential for cost savings by realizing economies of scale through mass production. A high level of mass production can be achieved for products that are highly standardized,[7] but the potential for mass production and thus for economies of scale can differ greatly, e.g. depending on the kind of product, on the degree of centralization in production, on the number of similar foreign markets operated, or on foreign market size. In general, situations with a high potential for cross-national economies of scale call for a high degree of international product standardization.

> *Proposition 2: A fit between a high [medium; low] potential for cross-national economies of scale for a specific product and a high [medium; low] degree of international product standardization enhances foreign product profit.*

(B) Given a constant level of the quantity of products produced (*qp*), a higher degree of international product standardization results in a decrease in the total cost per unit (*c*). The size of this effect depends on how cost-intensive, in contrast, a high degree of international product adaptation is. This cost-intensity primarily depends on the cost of product modification that, in turn, varies especially depending on the complexity of the product and on the firm's organizational structure and production facilities.[8] Therefore, situations with a high cost of product modification call for a high degree of international product standardization.

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[7] However, mass customization can be a way to combine international product adaptation with mass production (see, e.g., Pine, 1999). Therefore, the following proposition 2 only holds true for situations in which mass customization is not possible or not desirable.

[8] Furthermore, the effect of the cross-national homogeneity of demand on the cost of product modification has to be analyzed. It might be the case that the cost of product modification increases if the cross-national homogeneity of demand decreases.

Proposition 3: A fit between a high [medium; low] cost of modification of a specific product and a high [medium; low] degree of international product standardization enhances foreign product profit.

Finally, the fulfillment of requirement (2.2) primarily depends on the price elasticity of demand, as described in relation (1.4). If a firm offers a product with highly price-elastic demand abroad (e.g., resulting from a high intensity of foreign competition), a small increase in the price per unit (*p*) results in a comparatively large decrease in the quantity of products sold (*qs*),[9] which, in turn, leads to an increase in the total cost per unit (*c*). In contrast, a small decrease in the price per unit (*p*) leads to a comparatively large increase in the quantity of products sold (*qs*), which, in turn, leads to a decrease in the total cost per unit (*c*) (for theoretical considerations on the foreign price elasticity of demand, see, e.g., Kreinin, 1967). Therefore, in situations with high foreign price elasticity of demand for a specific product, firms should attempt to offer their products at relatively low prices abroad in order to increase their revenue and profit. As described in relation (1.3), lower prices call for lower cost, which can be realized most easily through standardized mass production. Thus, situations with high foreign price elasticity of demand for a specific product call for a high degree of international product standardization.

Proposition 4: A fit between a high [medium; low] foreign price elasticity of demand for a specific product and a high [medium; low] degree of international product standardization enhances foreign product profit.

Interestingly, none of the existing studies on international standardization/adaptation considers the four situational fit variables just derived. In contrast, the situational variables analyzed

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9 As stated above, this does not hold true for some luxury goods, according to the Veblen effect (see again Leibenstein, 1950; Bagwell & Bernheim, 1996). Therefore, the following proposition 4 can only be sustained for products with negative foreign price elasticity of demand.

in previous research, as shown in Table 2, do not directly affect the relationship between international product standardization/adaptation and foreign product profit. Instead, they may affect the four theoretically-derived situational variables, or they may influence managers' actual strategic decision-making. In the following, this shall be exemplified for (1) cross-national similarity in market environments and consumer preferences, (2) foreign market size, (3) product type, and (4) some organization- and management-related factors.

(1) Cross-national similarity in market environments and consumer preferences is only profit-relevant for the strategy of international product standardization/adaptation if it results in a high cross-national homogeneity of demand, which, in turn, positively affects the relationship between international product standardization and foreign product profit. For instance, cross-national differences between political environments can simply be irrelevant if they do not affect the demand for a specific product, and similar consumer preferences can lapse if these preferences are not transformed into similar demand, e.g., due to differing legal restrictions across nations. If there is an (indirect) effect of cross-national similarity of market environments or consumer preferences on the strategy-performance relationship, this effect is automatically captured by the measured cross-national homogeneity of demand.

(2) As shown by Birnik & Bowman (2007), previous research is inconsistent with regard to the effect of foreign market size on the performance outcome of international product standardization/adaptation. According to our profit-theoretical framework, this is not surprising, as the effect of foreign market size is actually diverse. On the one hand, large foreign markets can call for a high degree of international product standardization if the potential for cross-national economies of scale is relatively high; all the more so if cross-national demand is highly homogeneous. On the other hand, a high degree of product adaptation can also be advantageous in large foreign markets if the cost of product modification and thus the cost of international product adaptation are relatively low compared to possible increases in revenue;

all the more so if cross-national demand is highly heterogeneous. Hence, the relevant question is not how large a foreign market is, but which of the effects – cross-national homogeneity of demand, potential for cross-national economies of scale, or cost of product modification – is strongest in a given situation.

(3) The profit-relevance of the product type (e.g., consumer vs. industrial good, durable vs. non-durable good, commodity vs. luxury good, product vs. service) for the strategy of international product standardization/adaptation is also only an indirect one. This becomes clear when taking into consideration that, e.g., different consumer goods can vary substantially with regard to the directly profit-relevant fit variables cross-national homogeneity of demand, potential for cross-national economies of scale, cost of product modification, and foreign price elasticity of demand.

(4) Finally, organization- and management-related factors, such as country of origin, EPRG orientation, or centralization in decision-making, are not at all profit-relevant for the strategy of international product standardization/adaptation. Of course, firms headquartered, e.g., in the U.S., firms whose managers are ethnocentrically oriented, or firms with high centralization in decision-making might actually tend to highly standardize their products across nations. However, as derived above, these situational factors do not affect the relationship between international product standardization and foreign product profit.

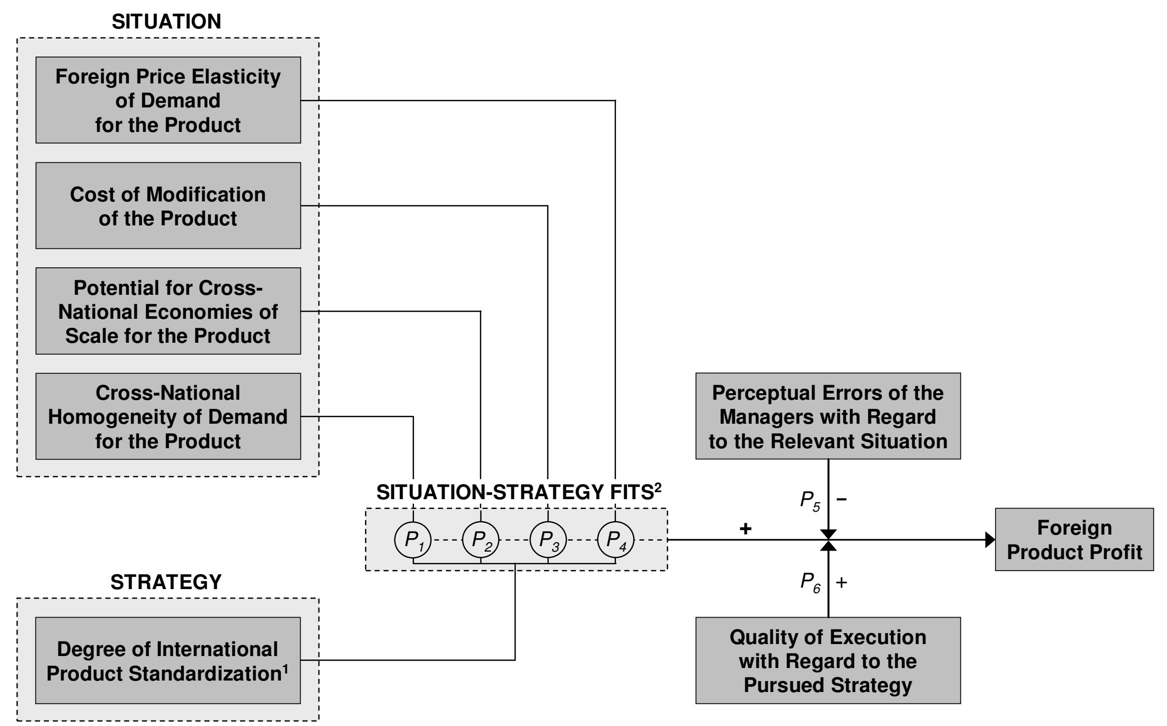
For future empirical studies that rely on surveys with managers, we integrate two additional aspects into our theoretical framework, one concerning the firm's situation and another concerning the firm's strategy. First, we want to capture the ability of managers to realistically perceive the relevant (internal and external) situation of their firms, as a manager's perceptual error can lead to wrong strategic decisions, resulting in lower foreign product profit. In this context, we define a manager's perceptual error as the deviation of his/her subjective perception from quasi-objective reality (see also Glaister & Thwaites, 1993; Starbuck & Mezias, 1996; Maule & Hodgkinson, 2003; Mezias & Starbuck, 2003; Pillai, 2010). For instance, there might be a case in which a manager perceives the cross-national homogeneity of demand for a specific product as being high and thus decides to choose a high degree of international product standardization (see proposition 1). However, if the cross-national homogeneity of demand is in fact rather low, indicating a perceptual error of the manager, the pursued strategy might prove unsuccessful, although the manager's strategic decision was coherent with his/her situational perception. Therefore, studies that do not check for the possible perceptual errors of the surveyed managers can produce invalid or insignificant results.

Proposition 5: The perceptual errors of the firm's managers with regard to the relevant situation of the firm negatively moderate the product-profit enhancing effects of the situation-strategy fits.

Second, concerning the firm's strategy, we want to account for the quality of execution of the analyzed strategies. For instance, there might be a case in which a manager perceives the specific situation correctly and even chooses the right strategy, but a poor implementation of the strategy leads to lower foreign product profit. Therefore, studies that do not investigate the quality of execution of the respective strategies can lead to invalid or insignificant results as well (see, e.g., Hahn & Powers, 1999, 2010). This argument is in line with a critique already expressed by Birnik & Bowman (2007, p. 317).

Proposition 6: The quality of execution with regard to the pursued strategy of international product standardization/adaptation positively moderates the product-profit enhancing effects of the situation-strategy fits.

In Figure 3, we propose a research framework that is based on profit-theoretical considerations combined with the concept of situation-strategy fit. As all variables and their relationships have been derived theoretically, it is essential to empirically test the propositions, especially for the following reasons: first, it has to be tested to what degree the four situational fit variables can in fact explain the variance in foreign product profit depending on the degree of international product standardization. Second, it is of great importance to investigate which portion of the variance can be explained by each of the variables and by specific combinations of the variables in order to weight the variables according to their relevance. Third, it should be tested whether there are differences between industry segments and countries with regard to the relevance and weighting of the situational fit variables. This could help to identify industry-segment- and country-specific situation-strategy fits and to provide managers with industry-segment- and country-specific recommendations.



[1] Separately measured for product name, product features, product design, product quality, and product packaging.
[2] According to each proposition 1, 2, 3, and 4, a situation-strategy fit exists if the values of both the respective situational variable and the strategy variable reach similar levels (e.g., high-high, medium-medium, low-low). In line with Venkatraman (1989), each situation-strategy fit can be modeled as moderation and/or profile deviation, since we use foreign product profit as criterion variable.

Figure 3. Potential research framework that integrates profit-theoretical considerations and the concept of situation-strategy fit

Ideally, the propositions are tested based on different models of fit in order to verify the robustness of the theoretical framework (see also Xu et al., 2006). Since we use foreign product profit as criterion variable, each situation-strategy fit can be modeled as moderation and/or profile deviation (see Venkatraman, 1989). Furthermore, the degree of international product standardization has to be separately measured for the product name, product features, product design, product quality, and product packaging to account for the multidimensionality of the international product strategy (see, e.g., Katsikeas et al., 2006). In addition, the major situational factors analyzed in previous research (see Table 2) as well as the other marketing elements (international pricing, distribution, communication, and marketing processes) should be considered control variables when testing the propositions. In particular, it must be investigated in how far the degree of centralization in production, the number of similar foreign markets operated, and foreign market size affect proposition 2, as shown above. If the propositions are supported, it will be possible to provide recommendations to managers that are both theoretically and empirically grounded. This could help managers to know which situational factors they have to consider (or even influence), and in what way, in order to choose a specific degree of international product standardization for enhancing their firms' foreign product profit.

4. Conclusion

In this paper, we have presented the major results of our systematic literature analysis in the field of international marketing standardization/adaptation. In doing so, we have focused on those articles that aim to provide and/or theoretically ground strategic recommendations to managers. We have shown that none of these articles integrates both the concept of situation-strategy fit and a normative theory for systematically and comprehensively deriving performance-enhancing strategies of international marketing standardization/adaptation in given situations. As a consequence, previous research findings are more or less fragmentary and, to some extent, even contradictory. Based on the identified weaknesses of previous research, we have introduced a novel theoretical framework focusing on the strategy of international product standardization/adaptation. What are the potential contributions and the major limitations of our work?

We contribute to the advancement of knowledge in the field of international standardization/ adaptation by offering the first framework that integrates normative-theoretical considerations and the concept of situation-strategy fit. Based on our framework and the product-profit function, we have systematically and comprehensively derived spatiotemporally stable propositions regarding product-profit enhancing strategies of international product standardization/adaptation in given situations. Thereby, we have integrated and advanced existing work on the situation-strategy fit (see again Katsikeas et al., 2006; Xu et al., 2006; Hultman et al., 2009; Schilke et al., 2009) and previous profit-theoretical considerations (see again Samiee & Roth, 1992; Shoham & Albaum, 1994; Shoham, 1996). Furthermore, we have considered the moderating effects of managers' perceptual errors and of the quality of strategy execution on the product-profit enhancing effects of the situation-strategy fits. As shown above, integrating these aspects into future empirical studies might lead to more valid and significant research results. In this context, we call for more studies that concentrate on a small number of industry segments and countries in order to control for industry-segment- and country-specific differences in the product-profit enhancing effects of the respective situation-strategy fits, while also considering potential supranational strategy effects. This might provide managers with industry-segment- and country-specific recommendations.

However, our paper also faces several limitations. First, while our framework provides theoretically grounded and empirically testable recommendations, it does not serve as a basis for describing, explaining, or even predicting in which situations, to what degree, and why firms actually standardize/adapt their product strategies across nations (see research questions 1a and 1b in Figure 1). Second, while our literature analysis covers all marketing elements, our theoretically-derived propositions focus on the product strategies of firms. Therefore, we cannot provide recommendations with regard to the international standardization/adaptation of pricing, distribution, communication, and marketing processes. Finally, our recommendations are solely geared toward the enhancement of foreign product profit. This means that our recommendations are not suitable for products for which objectives other than the enhancement of foreign profit are pursued, such as the enhancement of foreign market share or foreign customer satisfaction. Future studies should address these issues to further contribute to the advancement of knowledge in the field. As has already been claimed by other scholars (see, e.g., Ryans et al., 2003; Theodosiou & Leonidou, 2003; Birnik & Bowman, 2007), it is time to shift research on international marketing standardization/adaptation away from a predominantly data-driven field and to attach greater importance to well-grounded theoretical explanations and recommendations.

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An overview of all 330 articles on international marketing standardization/adaptation, broken down by authors, by publication date, and by journal, can be requested from the authors of this paper.