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**PROMOTION AND PRODUCT, PROGRAM / PROCESS STANDARDIZATION  
IN A U.S.-INDIAN CONTEXT: AN EMPIRICAL INVESTIGATION**

**A dissertation submitted to the  
Kent State University Graduate School of Business  
Department of Administrative Sciences  
in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy**

**By**

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**May 2000**

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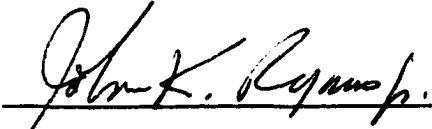
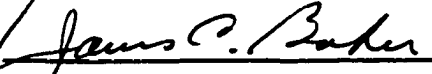
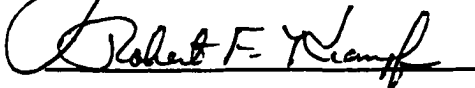
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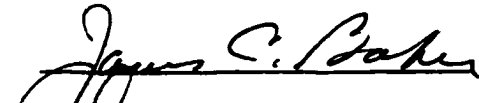
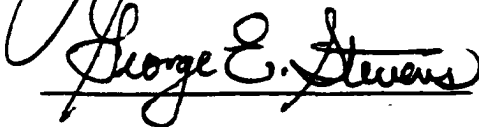
  
  


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## **CHAPTER ONE INTRODUCTION**

### **Introduction**

**India presently looms as one of the world's great potential consumer markets. With a middle class population of roughly 200 million and a rigorous program of free market reforms, India now offers a plethora of opportunities for U.S. businesses large and small. However, a long history of socialist self-reliance coupled with an anti-consumerist ideology meant that India had been an all but closed economy. It was only in 1991 that India began to emerge from the shadow of high tariff walls and a strict import licensing regime (A Survey of India 1997). The reforms of the past few years have succeeded in reducing the reach of a dirigiste government and creating an environment friendly to foreign multinationals as well as private business of the home-grown kind. Though some leading U.S. multinationals entered India in the aftermath of the country's liberalization in 1991, the lack of coherent market information is a deterrent to entry for many others.**

**This study examines the extent to which MNCs perceive they can (or do) employ program and process standardization in their marketing activities in the Indian market. Do they consider India to be a market in which they may be employing some degree of program and process standardization in their promotion and product**

approaches? A majority of the studies on marketing standardization have concentrated on program (content) standardization. While some mention process standardization, few have done empirical studies on this aspect of marketing standardization, particularly in the Indian context. Since most of the studies on promotion and product standardization have been done in a Western context, this study seeks to extend the work done on promotion and product standardization to the Indian context.

### **Purpose of the Study**

India was selected for this particular research for two reasons beyond the market potential afforded by the market. First, English is widely spoken, since India was a member of the British Empire. Second, the work of Geert Hofstede indicates that India and the U.S. are similar along select cultural dimensions. These signals suggest that India has certain cultural similarities that would enable U.S. firms to employ a degree of marketing standardization there. This study seeks to determine how U.S. firms perceive the Indian consumer market in terms of their ability to employ product/promotion standardization in this market. The standardization issue is differentiated in terms of program and process. A related issue is the potential presence of market segments that would be more likely to respond favorably to products and promotions that originated in the United States. Another issue relates



to the distinction between consumer durable and non-durable goods in terms of the likelihood of firms in these different goods categories perceiving a degree of potential standardization.

The research in this study focuses on four issues. Do firms perceive that marketing/advertising can be transferred from the United States to India, and is there a distinction in the degree of standardization relative to marketing program and process? Second, can products (consumer durables and non-durables) developed in the United States be transferred to India without significant modification, and does the degree of marketing program and process standardization vary for consumer durables and consumer non-durables? Third, do managerial perceptions of market similarity between the U.S. and India affect program and process standardization used in India? Fourth, do managerial perceptions of cultural similarity between the United States and India affect the degree of marketing program and process standardization used in India?

One of the primary pre-conditions for standardization of marketing strategy is the existence of cross-national consumer segments in India and the United States or Western markets. A country like India, in spite of its relatively low per capita income, has a high income segment equivalent to the population of Kuwait, and an emerging middle-class estimated to be around 200 million. As India progresses through the Rostowian growth trajectory, the size of the middle class, as well its purchasing power

will grow. Currently, various estimates suggest that India's upper middle class has broken through the per capita ceiling after which there is an explosion in purchases of consumer durables. Do U.S. MNCs perceive that they can tap into the growing middle class, by treating them as part of a global middle class segment? Do they feel that the same product could be marketed in the United States and India using a standardized marketing approach and specifically, that the same product could be marketed in India using same/similar positioning?

### **Theoretical Foundation**

The purpose of the literature review is to develop a conceptual framework for gaining insights into the standardization/customization issue and extending it to the marketing communications context in India. International market segmentation literature and the studies of culture relevant to marketing standardization will be reviewed.

For its theoretical foundation, this study relies on the vast body of standardization/localization literature and international segmentation literature. Most of the studies on standardization/localization have been done in a Western context. Walters (1986) in discussing the domain of standardization strategies says that the usual reference point for these strategies is not the world, but rather a limited number of markets in Western Europe or the developed world (Walters 1986). This study

seeks to extend the discussion of standardization strategies to the Indian context. Not only does India represent one of the two largest “new” markets in the world, it is also to some extent culturally aligned with the United States. In spite of the cultural differences between India and the United States, Hofstede classifies these two countries close together on the dimensions of uncertainty avoidance and masculinity. On a theoretical level, this research casts light on marketing/advertising strategies appropriate for the Indian market. The recent economic liberalization has attracted, and continues to attract MNC marketers interested in a potentially huge market. A study of marketing program and process standardization related to product and promotion strategies in India should be of value to U.S. firms planning to enter this rejuvenating market or those wishing to expand existing operations in India.

On a practical level, the study of current practice with regard to program and process standardization approaches used in India should provide relevant guidelines for international marketing managers’ standardization/adaptation decisions. Certainly, the incentive to employ a degree of standardization is strong due to the costs of marketing and the potential economies of scale inherent in standardization.

If this standardization does appear to provide additional market efficiencies, then it has direct benefits for those firms that can appropriately employ this approach. The goal in addressing these research issues is to develop a practitioner perspective of the similarities and differences between India and the United States that could be

useful in predicting the appropriate degree of marketing standardization in India for U.S. subsidiaries. Several researchers on the subject have pointed out that in a homogenized world standardized marketing strategies should work across the globe, while others have cautioned against the indiscriminate use of standardized approaches that ignore the forces of local culture and custom. While on many measures India and the United States cannot be grouped into the same cluster, they certainly have many similarities, such as a democratic political context, widespread use of English as the lingua franca of business, a heavy bureaucracy bestowed by the British, a modern media and a global middle class segment, which may be receptive to a standardized marketing message and product originating in, and intended for the U.S. market and a cross-national middle class segment. Further, Hofstede's classification of India and the United States indicates underlying similarities between the two countries that could have implications for transferability of product and promotional strategy from the United States to India.

This study focuses on perceptions of U.S. MNC executives on issues related to transferability of marketing program and process strategies from the United States to India. Is there a difference between program and process standardization in practice? What are the MNC executive views on the existence of a global middle class segment straddling the two countries? What are MNC managers' perceptions with

regard to cultural and market similarities between the United States and India and how does this impact marketing program and process strategies used (to be used) in India?

To develop answers for these and other related questions, marketing managers of MNCs with current operations in India, or those with a potential interest in entering the Indian market in the near future were surveyed. Their perceptions of the cultural and market differences between the United States and India and the impact of these differences on marketing program and process standardization were explored.

A subset of the vast body of the standardization literature relating to product and promotion was reviewed, with particular emphasis on those dealing with the concept of international market segmentation and product type, as it pertains to standardization. Since cultural distance between countries is shown to impact product and promotion transferability, studies relating to the concept of cultural distance are reviewed when relevant. Standardization requires market or consumer homogeneity; then by definition the segmentation concept is antithetical to standardization. The inter-market segmentation literature that reconciles the two concepts will be surveyed. The focus will be on the pros and cons of standardization, with a view to how these factors relate to marketing program and process standardization in India. In other words, are the factors related to marketing program and process standardization present in India and, more importantly, how do MNC marketing managers in the United States perceive the presence or absence of these factors?

### **Delimitations**

**This study was conducted in the United States, since it seeks to explore the responses of U.S. MNC headquarters executives to perceived differences and similarities between the United States and India. These are the firms and individuals that ultimately must make the decisions on the marketing approaches to employ in India. Obviously, other factors could impact the degree of standardization used which this study does not address. The study focuses on marketing program and process strategies in just one large developing country—India. India, in many ways shares characteristics of other developing countries in the region, yet is also unique in many respects. Hence, the study’s conclusions may not be fully generalizable to other LDCs in Asia.**

### **Dissertation Outline**

**The literature review in Chapter II examines the current research on marketing standardization and extends its implications to marketing communications in India. Since cultural and market similarity and the presence of cross-national consumer segments generally tend to facilitate marketing standardization, this section reviews studies related to the size and context of the Indian market, cultural distance and international market segmentation. This study emphasizes the distinction between**

**“program” and “process” standardization, hence the few existing studies on this topic will be reviewed. Hofstede’s research on culture places India and the United States in the same quadrant for two of the four identified cultural dimensions—uncertainty avoidance and masculinity. Hofstede’s research is reviewed briefly since his four dimensions—power distance, individualism-collectivism, uncertainty avoidance and masculinity-femininity— are used to test cultural similarity between the United States and India.**

**The methodology is presented in Chapter III. This section includes a quantitative and qualitative component. The quantitative measures are developed by means of data collected using a survey instrument. A mail survey of U.S. MNC marketing managers or executive decision makers was conducted in order to assess U.S. executive perceptions of cultural and market similarities and the existence of cross-national consumer segments in the United States and India. Hypotheses that relate executive perceptions to the use of marketing program and process standardization in India were posited. The survey instrument was pretested with academics and experts in international marketing. Correlation coefficients, means, crosstabulations and factor analysis were used to test the strength of the relationships. Qualitative data pertinent to the research questions were gathered through personal**

interviews with international marketing executives from leading multinationals in Middle America.

Chapter IV presents the findings and analysis of the research. This chapter includes a sample overview, description of sample selection, respondent profile and a summary of corporate demographic data. Statistical methods used are discussed along with a rationale for their use. Finally, the support for the suggested hypotheses is reviewed and the implications for the research discussed.

Chapter V reports the results of the qualitative study used to supplement and enhance the quantitative study. International marketing executives from ten leading multinationals in middle America were interviewed. The interviews were taped for further analysis and transcription. Typologies were constructed based on the analysis of the qualitative data. A series of two-by-two matrices were constructed to represent the data visually. Finally, propositions related to the use of marketing standardization were developed. The qualitative data provided executive insights into the issues related to marketing standardization in the Indian context, thereby supplementing and enhancing the quantitative results.

Chapter VI presents the conclusions from the research. Theoretical and practical implications are examined with some directions for future research and concluding remarks. The limitations of the methods used for sample selection and the



**limitations inherent in the nature of the sample and the research methods used are considered. The bibliography and appendices immediately follow the last chapter.**

## **CHAPTER TWO LITERATURE REVIEW**

### **Size and Context of the Indian Market**

After decades of autarchic isolationism, India has opened its markets to foreign investment and private sector business. India's program of liberalization, which started in 1991, ended the country's long history of sequestration from the global economy, and has created inviting opportunities for multinationals interested in entering this market for the first time, or wanting to expand their business presence in this market with vast potential. At first sight, from the U.S. multinational perspective, India's liability of foreignness is minimized by the country's numerous similarities to the U.S. market. Paradoxically enough, this so called less developed country of 900 million, beset with grave problems of poverty and illiteracy, is a producer of the third largest pool of technical talent in the world, uses English in most cases as the lingua franca of business, has a well-developed legal system, a democratic political context, a mixed economy with well-entrenched capitalistic traditions, (Chandrasekaran and Ryans 1996) a relatively affluent middle class estimated between 150-250 million, and is the single largest market in the developing world, excluding China. (Sethi, Datta and Wise 1990).

Though estimates of the size and purchasing power of the middle class in India vary widely, the importance of this growing market is recognized by U.S. multinationals. A spate of recent articles on the subject point out that, despite the difficulties of entering and doing business in emerging markets like India, MNC's may have no choice but to enter them. Prahalad and Lieberthal (1998) go so far as to say that MNC's will have to develop new business models to compete in markets like India, where the middle class of 200 million is stratified into three tiers with different levels of purchasing power. At the top of the economic pyramid, India has about 40 million households with annual incomes of over Rs. 900,000 or \$30,000 (U.S.) in exchange rate terms. In purchasing power parity (PPP) terms, where per capita GDP is adjusted to cost of living in India, this level of income is roughly equal to an income of \$600,000 (U.S.). The next tier is India's middle class of about 150 million with household incomes of Rs. 30,000 (\$1000 U.S.) and over roughly equivalent to \$20,000 (U.S.) in PPP terms. The projections are that the middle class is growing at an estimated 5-10% a year and should number around 400 million in a decade (Phatak 1997).

In fact, the current reforms in India have gone a long way toward creating an investor friendly environment, by streamlining the foreign investment approval process and by liberalizing investment regulations (Ganguli and Siren 1996). As the

so called License Raj is slowly dismantled and protectionist barriers are torn down, the country is becoming much more hospitable to foreign investment than it has been in the past. In addition, a democratic political context, familiarity with free market enterprise and widespread use of the English language make India a relatively easy place to do business for U.S. multinationals. It is even suggested by the work of Hofstede to have certain cultural similarities to the United States.

Lending support to these similarities, Hofstede's research classifies India and the United States in the same quadrant for two of the four identified dimensions—uncertainty avoidance and masculinity. Kale (1991) arguing the need for culture-specific marketing communications, uses Hofstede's framework to understand the nature and scope of significant cultural variations between the United States and India, in order to suggest more effective ways of marketing India to the American tourist. Since the two countries differ considerably along the dimensions of individualism and power distance, his recommendation is that the Indian Department of Tourism place particular emphasis on making adaptations in its promotional strategy involving these two dimensions in order to reduce the cultural distance between the two countries. While the research in this dissertation is not designed to further test Hofstede's framework, its prior use (and findings) offer credence to the selection of India and the United States in research in a standardization study.

Other studies have used Hofstede's model to evaluate advertising effectiveness (Advertising Age International 1996). The basic idea is that cultural values should be incorporated into advertising communications. Uncertainty avoidance can be defined as the degree to which people in a country prefer structured over unstructured situations. A society with strong uncertainty avoidance can be called rigid; one with weak uncertainty avoidance flexible. A society high in masculinity values assertiveness, performance and competition, whereas, a more feminine society values quality of life, solidarity and warm personal relationships (Hofstede 1994). Kotabe and Helsen (1998) point out that campaigns centered around the hard sell approach would be more effective in countries with high uncertainty avoidance. In masculine societies, campaigns should emphasize to a greater extent values such as assertiveness and performance. Studies on culture and consumer behavior indicate that understanding the variations in what motivates people is important for positioning brands in different markets. Culturally defined motives can explain differences in sensitivity to certain product attributes and advertising appeals. One example is how motives for buying automobiles vary by culture. One study shows motives for buying automobiles in cultures clustered according to two of Hofstede's dimensions: masculinity and uncertainty avoidance. In Hofstede's framework, India and the United States fall in the same culture cluster with the configuration masculinity and

weak uncertainty avoidance. The study concludes that people in these cultures tend to have a need for status, and have a preference for cars that are big and powerful (De Mooij 1997). Throughout the research, Hofstede's work (and those who have tested his findings) offers some interesting explanations and directions for this study.

### **Culture and Cultural Distance**

National cultural distance is defined as the degree to which cultural norms in one country vary from those in other countries (Kogut and Singh 1988). Recent work rooted in the resource based perspective of the firm (Barney 1986) has argued the point that multinationals that choose to acquire firms in nations that are culturally distant may be enhancing their competitive advantage by learning a greater variety of routines and repertoires that may turn out to be valuable in an unpredictable future (Morosini, Shane and Singh 1998). While there is much to suggest that there are certain commonalities between the United States and India, there are few who would suggest that there are no (few) cultural differences between these two large markets.

This study while recognizing the cultural distance between the United States and India posits that there are cultural similarities between the United States and India, using Hofstede's research to support the hypothesis. Hence, it seeks to assess

U.S. managers' perceptions of cultural similarity between these two seemingly cultural distant markets. Kanso (1992) studied the advertising approaches used by two groups of managers. One group used the localized approach to advertising and the other used a standardized approach. His finding was that culturally oriented managers tend to use the localized approach, while non-culturally oriented managers preferred the standardized approach. The question posed by this study: Do U.S. managerial perceptions of cultural similarity influence program and process standardization?

Given these divergent views on the role of national culture in organizational practices, this study seeks to determine if a relationship exists between an MNC marketing manager's perceptions on the importance of culture in marketing communications regarding marketing program and process employed in India, and the approach taken by the firm in international marketing/advertising. Is the degree of program and process standardization used in marketing in India by consumer product firms related to the attitude and perception of the marketing manager of the U.S multinational?

The research question: Is a standardized program and process approach by U.S. multinationals feasible in India? Does perceived cultural similarity affect degree of marketing standardization used in India? This study is interested in exploring

(1) How managers of American MNCs perceive cultural similarity between the United States and India, and (2) in their view, what cultural and business similarities/differences exist between India and the U.S., and do these perceived similarities/differences impact the degree of marketing standardization employed in India?

### **Intermarket/International Segmentation**

Another important consideration in marketing decisions, either for consumer goods or industrial goods producers, is the firm's market segment(s). Clearly, the intermarket segment concept rooted in global market segmentation has particular implications for transferability of marketing programs and processes. Cunningham and Green (1984) cite international segmentation as one of the topics in international marketing deserving more research attention. Global market segmentation involves the identification of homogeneous market segments across countries (Blackwell, Ajami and Stephan 1992). Marketers faced with the dilemma of the right balance between standardization and customization could get some help from the international market segmentation concept. Standardization of marketing strategy between the United States and India may be viable if the customers targeted in the two markets have similar characteristics. Earlier it was noted that India and the United States may be vastly different in terms of economic development, but share commonalities such



as a widespread use of the English language for business transactions, a cadre of managers capable of operating effectively in a free-market environment, a wide pool of scientifically trained talent and some noteworthy similarities in select cultural dimensions revealed in Hofstede's research. More importantly from an intermarket segment perspective, India also has a much touted emerging middle class of nearly 200 million, with growing levels of purchasing power. Companies like IBM that have developed pan-European promotional strategies by identifying homogeneous market segments across Europe have followed such an approach (Halliburton and Hunerberg 1993). Are there, in fact, global consumers in India much like those in the Latin, European and North American markets? It is well-known, for example, that there are many affluent Indian nationals in the United States, and they are often visited by relatives from India. Have they found products that they would like to purchase in India? Other Indians in the more affluent middle and upper class are well aware of certain U.S. brands. Stanley Paliwoda (1993) cites consumer mobility as one of the factors encouraging product standardization. Increased travel opportunity leads to familiarity with a wide range of international brands/products, at which point brand name rather than country of origin is what sells the product.

Czinkota, Rivoli and Ronkainen (1992) point out the phenomenal success of Coke's "one sound, one sell" approach to show that universal appeal exists. They

argue that national differences are less important than consumer similarities, and, if this is the case, the firm can profitably use a single advertising approach to exploit similarities between markets. In their view, globalization differs from the multidomestic approach in three basic ways: 1) the global approach scans for market similarities, as opposed to the multidomestic approach which does not do so; 2) the global approach actively seeks homogeneity in products, marketing and advertising message, whereas the multidomestic approach gets tangled in unnecessary differences between markets; 3) the global approach checks to see if the product is suitable for world consumption whereas the multidomestic approach ignores the issue. The feasibility of implementing the global approach is vastly increased with the identification of global market segment similarities.

Levitt (1983) in his ringing endorsement of the global approach, foresees convergence of consumer tastes and homogenization of world markets driven by the forces of technology. In his view, there will eventually be one world market wherein the same things will be sold the same way everywhere. A closer look at his argument suggests that he is looking at market segments that exist in worldwide proportions. Levitt states that “....success in a world of homogenized demand requires a search for sales opportunities in similar segments across the globe in order to achieve the economies of scale necessary to compete. Such a segment in one country is seldom

unique—it has close cousins everywhere precisely because technology has homogenized the globe.” The existence of these worldwide market segments do not deny or contradict global homogenization but confirm it. They point to an increase in homogeneous groups across nations that share the same values and needs. Levitt refers to this phenomenon as “segment simultaneity”, which is a world made of market segments appearing in different countries at the same time. If the marketing management of a firm has identified (or perceives the existence of) a similar segment in India and the United States, then this tenet of Levitt has validity. The existence of simultaneous segments in India and the United States should make standardization a feasible strategy. Even if “a limited measure of homogeneity” (Onkvisit and Shaw 1987) could be identified between the United States and India, the two countries could be targeted with “similar”, if not identical approaches.

Porter (1986) echoes some of Levitt’s ideas in his work on global marketing strategy. He points out that, ironically, it is possible to create universality through segmentation. Homogenization and segmentation are not inconsistent, because selling a uniform product to a narrow segment of worldwide proportions may be the only way to serve an otherwise small, but significant, segment efficiently. Kale and Sudharshan (1987) propose an intermarket segmentation approach to global markets, contingent on identifying so-called “strategically equivalent segments” that are

homogeneous across countries and can be reached by standardized global marketing strategies. This, in fact, offers one important reason for the research proposed in this study.

Baalbaki and Malhotra (1993) offer that international marketing segmentation which transcends national boundaries is one way of resolving the standardization/customization debate. If the global market is segmented such that consumers in a single segment are relatively homogeneous, products and promotional appeals can be targeted at “specific segments” across different countries. Their segmentation approach uses both traditional environmental variables (geographic, political, economic and cultural) as well as marketing management bases (product, promotion, price and place-related) for international market segmentation.

Hill and Still (1984) point out that standardized products developed for the MNCs home markets are transferable to the urban areas of less developed markets. Their study revealed that greater product adaptation was required in rural areas rather than urban areas of these LDCs. Jain (1989), in emphasizing the segmentation concept, says that Hill and Still (1984) provide empirical substantiation for the existence of the intermarket segment. Urban areas in developing countries like India may have segments that share certain similarities to those in industrialized countries. If strategically equivalent segments can be identified on a worldwide basis, then

worldwide consumers and not countries could form the basis of the segmentation. Douglas and Craig (1995) echo this idea in their discussion of international market segmentation. They indicate that the degree of similarity in customer preferences and needs, as well as purchasing power (which is assumed), is an important input in segmenting international markets and determining the degree of standardization for individual markets. Similarity in customer needs and preferences could link a specific market segment in one country to a more broad based target segment in another country. For example, the urban and rural markets in India are notably different as to require completely different marketing approaches (Hill and Still, 1984). Moreover, the affluent urban consumer in India's big metropolises such as New Delhi, Mumbai, Bangalore and Chennai shares much in common with their counterparts in Western countries through media exposure, education, and travel.

Prahalad and Lieberthal (1998) categorize India's middle class into three tiers, with varying levels of purchasing power. Tier one, in their classification, has the purchasing power in U.S. dollars to afford international brands. Albeit small, their numbers are growing as the country's economic fortunes improve, and these affluent urban customers in India may provide an appropriate target segment for products with much broader appeal in the United States. Kale and Sudharshan's (1987) approach of identifying strategically equivalent transnational segments captures the best of both

worlds by capitalizing on across-country consumer similarity and within country consumer heterogeneity. India's stratified middle class lends itself well to this approach, and this heterogeneity in their composition is completely ignored when countries not consumers are used as the bases for segmentation.

Cateora (1997) approaches the product and promotion standardization dilemma via the market segmentation route. He indicates that a company should first identify market segments across countries; such a segment would consist of consumers with more similarities in their needs and wants than differences, and thus be more responsive to a standard product and promotional theme. He adds, "Customers in a global market segment may come from different cultural backgrounds with different value systems and live in different parts of the world, but they have commonalities in life-styles, and their needs are fulfilled by similar product benefits. Further, while segments in some countries may be too small to be considered, when aggregated across a group of countries, they make a very lucrative total market". Keegan, Still and Hill (1987) found that MNCs selling packaged consumer goods perceived few barriers transferring products between the United States and LDCs. First, almost all LDCs have a high income segment receptive to "modern" products and second, numerous consumers in the lower economic strata in the LDCs buy "modern" products as a way to identify with the consumption society or as status symbols. The

growing upper tier of the urban middle-class segment in India's big cities share many similarities with the middle class in the United States, and may hence be responsive to standardized promotional themes in spite of a cultural and geographic chasm.

In spite of cultural distance between the two countries, standardization of promotion and product by U.S. multinationals potentially would be effective in India, if customers, like the global elite or the global middle class, not countries, are used as the basis of segment identification. This provides an important rationale for this study and lends itself to testable propositions. Moreover, there is a general consensus in the literature that one of the preconditions for standardization is homogeneity—in terms of consumer attitudes, economic and demographic characteristics and similarity in media availability and usage, particularly for advertising standardization. (Ven and Gopalakrishna 1991).

### **The Standardization Issue**

As the communications revolution shrinks the world's boundaries, and CNN increasingly becomes the global information source, the concept of global marketing has been the subject of intense discussion by theoreticians and practitioners alike. On the one hand, proponents of standardization argue that in a world of homogenized markets and consumers, it is possible for a firm to market identical products across

the globe through standardized marketing programs (Ohmae 1985; Levitt 1983). Critics of standardized global marketing argue their case for adaptation vehemently citing cultural, economic, political and governmental barriers that mandate adaptation of marketing program and process for products marketed on a global basis (Wind 1986; Quelch and Hoff 1986; Sorenson and Wiechmann 1975). In fact, for many, “think global, but act local” has become the bumper sticker of choice. Between the bi-polar extremes of absolute standardization and adaptation, a third middle-ground contingency approach has gained momentum in recent years. This approach is predicated on identifying the factors that enable standardization, or those that require adaptation (Jain 1989; Rau and Preble 1987; Walters 1986). However, there is little agreement among the contingency theorists on the conditions under which partial standardization or adaptation would be feasible.

### **Definition of the Standardization Construct**

An inherent problem in the discussion of the standardization construct is the lack of agreement in construct definition. Onkvisit and Shaw (1987) use the term in a strict sense in holding that “a standardized advertisement is an advertisement which is used internationally with virtually no change in its theme, copy or illustration, except for translation when needed”. Peebles and Ryans (1977) differentiate between



**“prototype” and “pattern” standardization. Under prototype standardization, the same advertisement would be used in multiple markets with just a few changes in idiom and translation. Pattern standardization, by contrast, is designed originally for use in multiple markets and is developed with a view to provide “uniformity in direction, but not necessarily in detail.” Their definition departs from the purist definition of the term, thereby allowing more flexibility in usage. Standardization has also been differentiated in terms of program and process (Jain, 1989) or content and process (Shoham, 1995). According to Jain’s (1989) definition, the term “program” refers to various aspects of the marketing mix, and “process” refers to tools that aid in program development and implementation. Barker and Aydin (1991) define process as “the ways and means that are put into place to develop strategy and to implement it”.**

**In general in the literature, program refers to the the actual advertisement, product and channel members used. Process refers to the same management approach to implement the marketing efforts, such as the same advertising agency or the same criteria for selecting them; the same selection and evaluation approach for channel members etc. In other words, process refers to the entire outline of activities that occur prior to, and during the development and implementation of the marketing program. Firms may have a standardized process to manage the development of their marketing programs, even if they do not have a standardized marketing program.**

Sorenson and Weichmann (1975) are aware of this distinction when they state that while the benefits of standardizing marketing programs may be circumstantial, it is definitely beneficial for MNC's to standardize the process through which they devise those programs.

Walters' (1986) review of the standardization literature indicates that most of the studies on the subject address standardization of the marketing program. The term program encompasses various aspects of the marketing mix such as basic advertising message, creative expression, brand name, price and product design (Sorenson and Wiechmann 1975; Quelch and Hoff 1986; Wind and Douglas 1986). Walters (1986) study suggests that only product standardization is prevalent in practice, whereas other elements of the marketing mix are not widely standardized. This study will explore managers' perceptions on the potential extent of perceived standardization of both content/program and process.

### **A Review of the Standardization/Adaptation Literature**

Advertising policy was the key element of the standardization debate in its early stages (Elinder 1961; Fatt 1964; Roostal 1963), but in recent years the discussion has expanded to include all the 4 "P"s of the marketing mix as well as the marketing process (Sorenson and Weichmann 1975). Among the 4 "P"s of the

marketing program, product and promotion variables have received the lion's share of academic attention (Hill and Still 1984; Jain 1989; Keegan 1969; Levitt 1983; Walters 1986). The literature on standardization reveals three perspectives on the issue: pure standardization, pure adaptation and the contingency perspective and all in a program context. What is worth re-noting here is that the standardization in most of these contexts is limited to program standardization. The important demarcation between the two types of standardization had not been recognized for most of the work in the field. Further, most of the research was directed to advertising, the most visible form of marketing.

### **Factors Favoring Standardization**

Pure standardization (program) on one end of the theoretical spectrum emphasized the homogenization of customer needs and of markets, and the benefits associated with complete standardization, which include significant cost savings, consistent product image and greater coordination among the subsidiaries in various countries (Buzell 1968). Elinder(1961) and Miracle (1968) were two of the early proponents of the standardization in advertising theme. They saw the need for advertising as essentially undifferentiated between home and abroad, so they argued for the same communication approach that could be used effectively at home and

abroad. Elinder (1961) argued that a centrally developed international advertising campaign with minor modifications such as translation of copy into the local language would be effective in a world where consumer differences were diminishing. While unstated, except for references to “consumer similarity,” one can only speculate as to whether having a similar segment was subsumed by the early researchers/practitioners. Levitt’s (1983) argument was that technology has homogenized the world and created a global customer who demands a high quality product at low prices. Standardization of product and promotion is an essential way of achieving a low-cost position, since standardization facilitates the realization of economies of scale. Sorenson and Weichmann (1975) in their survey of executives, found that the key to success lay in the standardization of the process used for developing communication and marketing policies. Ohmae (1985) noted that customers in the Triad of the USA, Japan and Europe have become fairly homogeneous, making standardization feasible. His contention was that rationalizing worldwide operations and treating the world as a single market would help the firm capture the benefits of standardization. Terpstra (1987) also concurred with the possibility of reducing costs through creation of a universal product and positioning. Standardization in his view is facilitated by consumer mobility and the growing similarity of many consumer and industrial markets. Hamel and Prahalad (1985) advocated that multinational firms

overcome fragmentation of markets by cross-subsidizing their operations in different parts of the world. Standardizing product and promotion is one way to facilitate cross-subsidization.

Keegan (1995), in discussing strategic alternatives for multinational product planning and geographic expansion, identifies three strategic alternatives for product: extension, adaptation and creation. Of these alternatives, the first one, product-communications extension, involves selling the same product, with the same promotional appeals used in the United States, to target markets. This strategy has the benefit of cost savings due to manufacturing and R&D economies associated with it. More importantly, it carries substantial economies from standardization of marketing communications. The factors encouraging standardization are summarized as economies in product and R&D, economies of scale in production, economies in marketing, control of marketing programs and “shrinking” of the world marketplace (Czinkota, Rivoli and Ronkainen 1992). Other advantages of standardization are seen as the relative ease of introducing new products simultaneously in the international marketplace, the building of a global brand image and the attendant economies associated with this approach.

### **Barriers to Standardization**

Barriers to standardization result from differing product use conditions, differences in consumer behavior, preferences, values and lifestyles, cultural differences, differences in stages of market and economic development, government and regulatory influences and political and legal differences. The most important and often cited barrier to product standardization is differences in consumer preferences (Ricks 1983). Even the most ardent proponents of a standardized approach recognize these barriers and suggest various ways to overcome them. Levitt (1983) calls for creativity and innovation to circumvent barriers to standardization, while Porter (1980) concedes that local barriers in the form of different product needs and unique distribution channels may negate the viability of a standardized marketing program. Buzzell (1969) cautioned, however, that it may not be possible to standardize all elements of the marketing mix in the face of local barriers.

Douglas and Wind (1987) strongly criticize Levitt's (1983) thesis, pointing out that global marketing standardization is feasible only under special conditions, such as the existence of a global market segment. Hill and Still (1984) found that differences in conditions of product use and competitive situation are major barriers to standardization. Quelch and Hoff (1986) warn that standardization can lead to loss of key assets in subsidiaries, such as managerial skills. To summarize, factors encouraging standardization are differing use conditions, government and regulatory

influences, differing buyer behavior patterns and local initiative and motivation (Czinkota, Rivoli and Ronkainen 1992).

### **The Contingency Perspective**

The contingency perspective seeks to find a middle ground between the two extremes in the standardization debate. Recent literature on standardization trends toward this perspective which maintains that a variety of external and internal factors impinge on the standardization decision. Hence the standardization decision is a function of external environmental elements as well as internal organizational factors (Buzzell 1968; Jain 1989; Zou and Cavusgil 1996). Others such as Walters and Toyne (1989) and Sorenson and Wiechmann (1975) militate against the dichotomous treatment of the standardization construct and prefer to view it as a continuum, allowing for various degrees of standardization (Quelch and Hoff, 1986). Peebles, Ryans and Vernon (1978) point out that in general standardization is feasible in environments where marketing infrastructure is well-developed.

Jain (1989) developed a concise framework summarizing the contingency perspective. He proposes that the degree of standardization is determined by the target market, market position, nature of product, environmental and organizational factors. Wind and Douglas (1986) argue that among the external and internal factors impinging on the standardization decision, product/industry characteristics are

paramount. Cavusgil, Zou and Naidu (1993) suggest that product and promotion adaptation are significantly influenced by company, product/industry and export market characteristics. The contingency perspective seems to be gaining currency as a broad theoretical perspective for the study of standardization (Zou, Andrus and Norvell 1997; Jain 1989).

### **Product Type**

The literature on standardization places a great deal of emphasis on promotional aspects of marketing strategy, but the nature of the product is also an important variable affecting the feasible degree of standardization. Several studies have shown that standardization varies with the type of product. Ryans (1969) was one of the first proponents of the view that the nature of the product may be the single most important factor determining the use of the standardized approach in advertising.

Jain's (1989) standardization framework includes nature of product as one of the mediating variables affecting the degree of standardization. In short, if a product meets a universal need, standardization may be the best option to pursue (Ryans 1969; Levitt 1988).

The studies classify consumer goods into two categories: consumer durables and consumer nondurables. Among these two categories, durables are more easily standardized than non-durables. Boddewyn and Hansen (1976) found standardized



branding to be highest for consumer durables. Since nondurables often appeal to tastes and customs unique to each culture or society, they were often presumed to offer less opportunity for standardization relative to durables (Douglas and Urban 1977; Hovell and Walters 1972). Sandler and Shani(1992) posit that cultural factors more strongly affect the marketing of consumer non-durables, thus requiring modification of advertising. However, it is again in the advertising arena where the importance of standardization was often portrayed. This ignored the extensive scale economies that are associated with durable product production.

The consumer goods market in India is only recently developed due to prior emphasis on heavy industry and relative disregard for consumer goods. India's austere economic policies in the post-independence era discouraged the manufacture of consumer goods. A typical middle class family in India categorizes consumer durable goods into two groups: essentials and major purchases. Essentials such as electric fan, electric iron and mixer/blender are purchased soon after the establishment of the household. Major purchases such as television, washing machine and car are prioritized for sequential purchase.

Previous research indicates that consumer durables are easier to standardize than non durables. In the Indian context, are both categories of durables—essentials and major purchases, equally amenable to standardization?

A number of factors suggest that India might be a country where U.S. manufacturers may find it appropriate to employ a degree of program and process standardization in their market efforts. These range from the fact that English is widely spoken in the country to the extensive research conducted by Hofstede that suggests India and the United States have cultural similarities at least along two dimensions—masculinity and uncertainty avoidance. In terms of the latter, many researchers have used Hofstede’s model to test cultural dimensions in their research. However, in this study, it merely offers additional theoretical support to the efficiency of the selection of India as a potential country where program and process standardization might be employed.

This leads to a basic research question: Given these similarities between the United States and India, how do U.S. MNC managers’ perceptions of the Indian market along select dimensions influence marketing program and process approaches used (or to be used) by the U.S. MNC in India?

The following hypotheses were developed from the key variables identified in the literature review:

**Hypothesis 1a:** Managerial perceptions on cultural similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

**Hypothesis 1b:** Managerial perceptions on cultural similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.

**Hypothesis 2a:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of program standardization by the U.S. multinational.

**Hypothesis 2b:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of process standardization by the U.S. multinational.

**Hypothesis 3a:** Marketing program standardization is more likely for consumer durables than it is for consumer non-durables.

**Hypothesis 3b:** Marketing process standardization is more likely for consumer non-durables than it is for consumer durables.

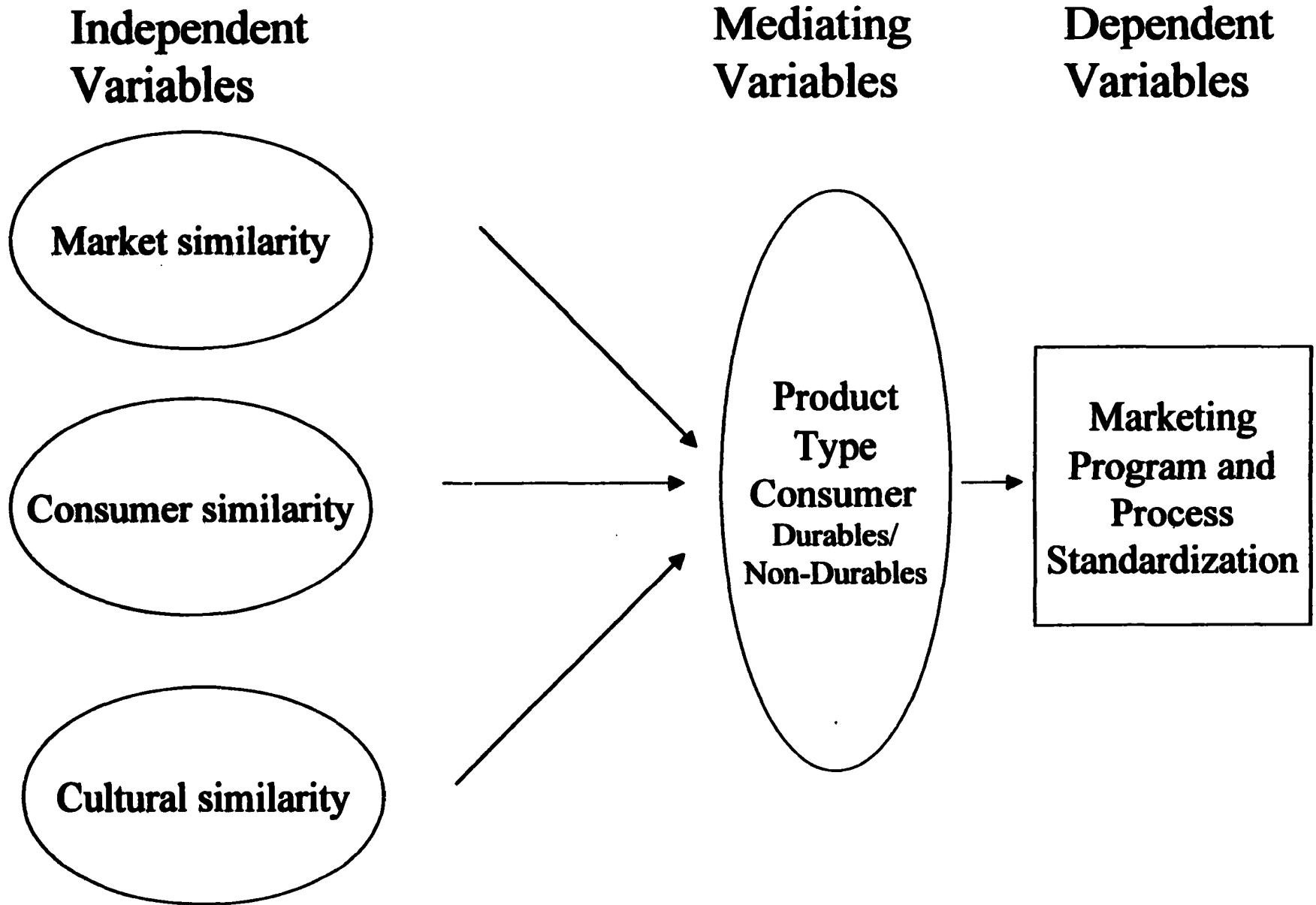
**Hypothesis 4a:** Managerial perceptions on market similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

**Hypothesis 4b: Managerial perceptions on market similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.**

Figure 3.1 encapsulates the independent, mediating and dependent variables.

In Chapter III, the hypotheses that flow from the literature review are developed. The survey instrument for testing the hypotheses is presented along with sampling techniques and methods for analyzing survey responses.

Figure 2.1



### **Summary**

Prior to discussing specific research objectives in this study, it may be important to outline several particular points that have resulted from the review of the relevant literature on the topic. These are:

1. most of the research on marketing standardization has been conducted in a Western context, most frequently Western Europe;
2. none has focused on an emerging market that has the range of market similarities to the United States (and the West), as does India;
3. most of the research on standardization has focused on advertising, although Balbaaki ( 1993 ) and a few others have indicated the need for other marketing mix elements to be considered as well;
4. increased recognition has been directed toward intermarket segmentation and its relevance to the standardization issue;
5. a relatively recent distinction has been made between program and process standardization; a point that was ignored in earlier standardization research, and whether or not this distinction has implications for how earlier research should be viewed has not been sufficiently researched.
6. cultural distance research has implications for the examination of perceived differences between the United States and Indian market; many similarities may have

**a moderating influence on the typical measures that appear to make the differences extreme, an important consideration in selecting India for this standardization research.**

## **CHAPTER THREE METHODOLOGY**

### **Introduction**

This section focuses on the research method used in this study. To address the research questions in the previous sections, it was necessary to outline the rationale for selecting India as the target country for this research, describe the nature of the survey instrument, and sample selection and methods of analysis to be used to test the hypotheses. The latter section of this chapter describes the qualitative data collection methodology. The research questions and hypotheses developed from the literature review are presented in the next few pages.

### **Research Questions and Hypotheses**

1. How does perceived cultural similarity by U.S. MNC managers affect the degree of program and process standardization the U.S. MNC would/will employ in India?

**Hypothesis 1a:** Managerial perceptions on cultural similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.



**Hypothesis 1b:** Managerial perceptions on cultural similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.

2. Do MNC managerial perceptions on the existence of cross-national consumer segments (consumer similarity) in the United States and India impact the degree of program and process standardization used, or would be used in India by the U.S. multinational?

**Hypothesis 2a:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of program standardization by the U.S. multinational.

**Hypothesis 2b:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of process standardization by the U.S. multinational.

3. Does the degree of marketing program and process standardization vary based on consumer product type—i.e. consumer durables vs non- durables?

**Hypothesis 3a:** Marketing program standardization is more likely for consumer durables than it is for consumer non-durables.

**Hypothesis 3b:** Marketing process standardization is more likely for consumer non-durables than it is for consumer durables.

4. How does perceived market similarity between the United States and India by MNC managers affect the degree of program and process standardization the U.S. MNC would/will employ in India?

**Hypothesis 4a:** Managerial perceptions on market similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

**Hypothesis 4b:** Managerial perceptions on market similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.

The following section outlines the methodology for data-collection for the quantitative analysis.

## **Sample Design**

### **Country Selection**

The literature review in Chapter II points out that the domain of marketing standardization strategies has been limited to Western markets (Walters 1986). India was selected for this research for several reasons. India and the United States are geographically and culturally disparate, yet present some notable similarities as witnessed in Hofstede's research. The United States is an advanced industrialized country, whereas India is a "new" market in transition. India and the United States have English in common as the language of business. Since language is closely connected to culture, it would be interesting to see if this is a unifying force that would enable a degree of marketing program and process standardization between the United States and India. Several underlying commonalities link these two divergent markets, in spite of the numerous obvious differences.

### **Survey Instrument**

A survey instrument was constructed based on the categories identified in the literature review on program and process standardization with regard to marketing in India by the U.S. MNC. The specific purpose of the survey is to obtain an understanding of U.S. MNC marketing managers' attitudes regarding the use of

standardized marketing program and process approaches in India by U.S. multinationals. Hence, marketing managers were asked to indicate their views on market similarities and cultural similarities between the United States and India, as well as respond to a series of statements relating to the existence of cross-national consumer segments in the two countries. In addition, their perceptions on program and process marketing standardization were sought for consumer durables and consumer non-durables.

In Part I of the survey, managers were asked to rate market similarity between the United States and India in seven broad areas, such as familiarity with free enterprise, competitive environment, size of the middle class, political system, English usage, distribution system and management style. The market similarity variable is more eclectic and encompassing relative to cultural similarity, which focuses on the sole dimension of culture as categorized by Hofstede. It includes perceptions of similarity in political and economic systems, along with other similarities highlighted in the literature review in Chapter II. Hence the wide sweep in coverage.

In Part II, a series of eight statements relating to the existence of cross-national consumer segments are presented. Respondents are asked to rate their level of agreement/disagreement on a five-point Likert scale. Part II also has two questions relating to the perceptions of marketing program and process standardization

appropriate for consumer durables and for consumer non-durables. Part III is focused on program standardization. It includes a series of statements on the use of program standardization in India. Part IV has statements related to the use of process standardization in India. The terms “program” and “process” are not explicitly mentioned in the questionnaire, in either Part III or Part IV, since managers may or may not be aware of these labels. The distinction between “program” and “process”, while useful from a theoretical standpoint may not be a part of practitioner lingo. However, managerial responses to Part III and Part IV should offer some useful insights into the distinction between “program” and “process” in actual usage.

Part V aims at understanding U.S. MNC managerial perceptions on Indian management/organizations. This section includes a set of eight statements derived from Hofstede’s four cultural dimensions: power distance, uncertainty avoidance, masculinity-femininity and individualism-collectivism. Managers’ perceptions of cultural similarities or differences along these dimensions will further validate or negate Hofstede’s observations with regard to the United States and India.

The survey consists of a four page structured questionnaire, which uses a five point Likert scale. The survey was administered by mail. Since response rates tend to be low for mail surveys, a reminder postcard was sent three weeks after the original mailing.

Information about the number of respondents and non-respondents is reported along with the number of returns and non-returns of the survey. Non-response bias, which is the effect of non-responses on survey estimates (Fowler 1988), was determined using an early respondent/ late respondent analysis.

The survey instrument was pilot tested to improve on questions and format using marketing professionals in academia, as well U.S. executives with international marketing experience in India. The final survey instrument and the cover letter is presented in Appendix 1.

### **Sample of Respondents**

The sample of respondents consists of marketing managers or executives responsible for international marketing in U.S. consumer goods/ business-to-business manufacturing multinationals. Firms that are currently operating in India, as well as those with a potential interest in entering India in the near future form the population of interest for the study. The sample consists of headquarters managers located in the United States, since strategic decisions such as degree of standardization, international segmentation and the specific segments to serve in a particular country are typically made at the headquarters, with input from top management. A convenience sample

was drawn from the Hoover Directory of Fortune 750 firms and the Fortune 500 listing.

The following criteria were used for sample recruitment:

1. Firms must be producers of consumer durables and, or consumer non-durables. The companies selected represent a broad range of consumer product categories.
2. Firms that are engaged in business-to-business marketing.
3. Firms in the service industry and financial institutions were excluded.
4. Firms should already have operations in India or are likely to enter India in the near future. Firms with prior foreign investments in the Far East are assumed to have a greater propensity to invest in the Indian sub-continent. For instance, U.S. MNC's that have entered China are more likely to enter India in the near to medium term.

The survey and the cover letter was mailed to each firm in the sample. The cover letter described the purpose of the study and its social utility to MNC's interested in entering the Indian market. The cover letter and survey are presented in

Appendix 1. Since inducements result in higher response rates, a copy of the results was promised as an incentive to increase response rates.

### **Measurement of Variables**

The dependent variables in the study are program and process standardization. The independent variables are perceived market similarities between the United States and India, perceptions on the existence of cross-national consumer segments in the United States and India, and perceptions of cultural similarity between the United States and India along Hofstede's dimensions. Product type is the mediating variable. It was divided into consumer durables and consumer non-durables. Managerial perceptions and attitudes on these issues drive important decisions related to entering and marketing in India.

### **Dependent Variables**

The dependent variables are program and process standardization. Program standardization refers to the different elements of the marketing mix, such as the actual advertisement, the product and its appearance and the channels of distribution used. In this study, program standardization is measured by statements related to managerial perceptions regarding the transferability of the marketing program from



the United States to India. Statements on the transferability of the creative copy of the ad, ad slogan, brand name, ad illustration, setting/context of the ad, package appearance, product labeling, product image, product positioning and ad media are used to measure the program standardization variable. Part III of the questionnaire has 10 statements related to marketing programs. The summed responses will indicate managerial perceptions related to the use of program standardization in the Indian market

Process standardization refers to the steps or the whole outline of activities related to the development and implementation of the marketing program. Process activities involve a series of steps that support the development of the marketing program. In this study, process standardization is measured by statements related to managerial perceptions regarding the transferability of the process used in the United States for marketing products to India. The study is particularly interested in measuring U.S. managerial perceptions regarding the transferability of the process related to developing the product's promotional campaign. The process items measured are the approach to media selection, campaign development approach, dealer review of the ad prior to its launch, pre-testing and post-testing of the ad, use of a global or local advertising agency and the use of distribution channels. Part IV of the questionnaire has a set of eight statements related to process standardization in

India. The sum of these responses will indicate managerial perceptions related to the use of process standardization in India.

### **Independent Variables**

The first independent variable is perceived cultural similarity. Cultural similarity is measured by managerial responses to a set of eight statements derived from Hofstede's four dimensions of culture: power distance, uncertainty avoidance, individualism-collectivism and masculinity-femininity. Part V of the questionnaire has a set of eight statements based on the four dimensions of culture identified by Geert Hofstede in his research.

The second independent variable is perceived similarity of cross national consumer segments in India and the United States. U.S. managerial perceptions on the existence of these cross-national consumer segments will be measured using the responses to the statements in Part II, 1, 3-6, and 8-10, of the questionnaire.

The third independent variable, product type, is split into two categories, consumer durables and consumer non-durables. Part II, 2 and 7, has two questions relating to each category of consumer product type.

The fourth independent variable, perceived market similarity, is a measure of the degree of similarity between the United States and India, with respect to broad

market factors such as the political system, familiarity with free enterprise, English usage, size of the middle class, distribution system, competitive environment and management style. As indicated earlier, the market similarity variable is eclectic in its coverage relative to the independent variable, cultural similarity, which focuses on the sole dimension of culture as categorized by Hofstede. The variable, perceived market similarity between the United States and India, is measured by summing the responses to questions in Part I, 1-7. A correlation coefficient will indicate the impact of this variable on program and process standardization.

### **Data Coding and Non-response Bias Testing**

A data file was established using SPSS 7.5, and survey responses were entered in this file. Data from each mailing wave was date coded in order to complete non-response bias testing. Records with missing responses were not removed in order to maintain data integrity.

Non-response bias testing was estimated by using the “last wave” method. This method assumes that the average respondent in the last wave is comparable to the non-respondent (Armstrong and Overton 1977). A postcard reminder was sent three weeks after the original mailing. The responses that were received after the postcard reminder was sent were grouped into the last wave category. The second or last wave

respondents were compared with respondents in the first wave to determine if there were significant differences in firm and respondent characteristics. No significant differences were found at the .05 level. Table 3.2 reports the results of the tests.

**TABLE 3.1**  
**COMPARISON OF RESPONDENTS AND NON-RESPONDENTS**

	<u>Mean Values</u>		
	<u>Respondents</u>	<u>Non-respondents</u>	<u>Significance (.05)</u>
Years of Experience	3.30	3.50	Not significant
Sales Volume	1.53	1.83	Not significant
Domestic Sales	1.93	2.00	Not significant
International Sales	6.20	6.25	Not significant
Domestic Workers	1.88	3.00	Not significant
International Workers	1.71	2.75	Not significant
Type of Business	1.55	1.83	Not significant
Mode of Entry	1.79	1.86	Not significant

The above section outlined the methodology and data-collection procedure for quantitative analysis. The following section presents the methodology used to collect

qualitative data to supplement and enhance the quantitative data. Qualitative data was collected through in-depth interviews with marketing executives of U.S. MNCs located in the upper mid-West.

### **Qualitative Data Collection Methodology**

The sample group of firms for qualitative data consists of multinational corporations with headquarters in Chicago, Cleveland, Columbus, Akron, Toledo and Canton. The following procedure was used to develop the group of firms for the interviews:

- (1) The Fortune directory of 750 largest (bv sales) consumer and business-to-business firms in the United States was examined, and a list of firms with headquarters in Chicago, Cleveland, Columbus, Akron, Toledo and Canton was compiled.
- (2) The list was cross-classified with respondents from the mail survey, who had mailed in their business cards with the completed survey in order to receive a copy of the results, or to merely identify themselves and their firms. The sample was developed in this manner for two basic reasons: first, since the data was collected by means of personal interviews, the firms had to be within a reasonable distance to the researcher due to time and cost constraints.

Second, only firms from the Fortune 750 listing were selected because their size and degree of international involvement gives them a greater probability of being involved in standardized marketing in international markets, particularly India.

This procedure yielded a potential sample of 20 firms. During the period of July - August 1999, each of the firms was contacted by telephone and an interview was requested with the executive in charge of international marketing/advertising, or the executive in charge of the Asia-Pacific region. Of the 20 firms, 12 agreed to be interviewed. Of the eight firms that rejected the interviews, their reasons for declining the interview ranged from no person at headquarters responsible for international marketing, while a few stated they did not do international marketing. The firms represented a fairly good mix of consumer and business-to-business firms.

### **Interviewing Procedure**

The interviews were semi-structured, and ranged from half an hour to forty five minutes in length. The semi-structured format allowed for open-ended responses. During the introductory part of the interview, the interviewee was asked for permission to record the interview on tape. Ten tape recordings were obtained and later transcribed for the study.

Table 3.3 presents a list of the firms interviewed for the qualitative portion of the study.

**TABLE 3.2**  
**List of Firms Interviewed**

<b>Name of Firm</b>	<b>Location</b>	<b>Industry</b>
<b>American Greetings</b>	<b>Cleveland</b>	<b>Consumer</b>
<b>Dana</b>	<b>Toledo</b>	<b>Business</b>
<b>Diebold</b>	<b>Canton</b>	<b>Business</b>
<b>Goodyear</b>	<b>Akron</b>	<b>Consumer/Business</b>
<b>Morton</b>	<b>Chicago</b>	<b>Consumer</b>
<b>Owens-Illinois</b>	<b>Toledo</b>	<b>Business</b>
<b>Sara Lee</b>	<b>Chicago</b>	<b>Consumer</b>
<b>TRW</b>	<b>Cleveland</b>	<b>Business/Consumer</b>
<b>Wendy's</b>	<b>Columbus</b>	<b>Consumer</b>
<b>Wrigley's</b>	<b>Chicago</b>	<b>Consumer</b>

**Measurement of Variables**  
**Table 3.3**

<i>Variable Name</i>	<i>Research Question</i>	<i>Items on Survey</i>
<b>Independent Variable # 1: Perceived Cultural Similarity</b>	<b>Question # 1: How does perceived cultural similarity by MNC managers affect the degree of program and process standardization the U.S. MNC would/will employ in India?</b>	<b>See Questions Part V, 1-8: management style, individual achievement, team work, tolerance for ambiguity, acceptance of rules and regulations, gender differentiation in workplace, quality of work life.</b>
<b>Independent Variable # 2: Perceived cross-national consumer segments</b>	<b>Question # 2: Do MNC managerial perceptions on the existence of cross-national consumer segments in the U.S. and India impact the degree of program and process standardization used in India by the U.S. MNC?</b>	<b>See Questions Part II, 1, 3-6, 8-10: similarity between U.S. middle class and upper tier of Indian middle class, transferability of product and promotion, awareness of U.S. brands in India, consumer mobility, segment and consumer similarity, positive country of origin effects for U.S. products.</b>
<b>Independent Variable # 3: Perceived Market Similarity</b>	<b>Question # 3: How does perceived market similarity by MNC managers affect the degree of program and process standardization the U.S. MNC would/will employ in India?</b>	<b>See Questions Part I, 1-7: perceived similarity in political system, familiarity with free enterprise, English usage, size of the middle class, distribution system, competitive environment, management style.</b>



**Table 3.3 (continued)**

<i>Variable Name</i>	<i>Research Question</i>	<i>Items on Survey</i>
<b>Dependent Variable # 1: Program Standardization</b>	<b>Question #4: How does the U.S. MNC manager perceive the extent of program standardization?</b>	<b>See Questions Part III, 1-9: perceptions regarding standardization of creative copy of ad, ad slogan, brand name, ad illustration, package appearance, package labeling, product image, product positioning, media usage.</b>
<b>Dependent Variable # 2: Process Standardization</b>	<b>Question # 5: How does the U.S. MNC manager perceive the extent of process standardization?</b>	<b>See Questions Part IV, 1-10: perceptions regarding similarity of process issues such as media selection decisions, campaign development approach, dealer review of ad, pre and post-testing of ad, use of global or local ad agency, channels of distribution.</b>
<b>Mediating Variable # 1: Consumer durables/ non-durables</b>	<b>Question # 6: Does the degree of standardization vary based on consumer product type, i.e. consumer durables versus non-durables?</b>	<b>See Question Part II, 2 &amp; 7: consumer durables/ non-durables are more likely standardized for sale in both markets than consumer non-durables.</b>

### **Summary**

The central focus of this research is on U.S. executive perceptions related to the use of standardized marketing program and process approaches used (or would be used) in the Indian market by the U.S. MNC. The study methodology combines both quantitative and qualitative data collection methods. The quantitative method involves the use of the mail survey method, and the qualitative approach consists of in-depth personal interviews of MNC international marketing executives located at the multinational headquarters in the upper mid-West.

Four factors were examined to determine their relationship to the firm's use of standardized marketing program and process approaches in the Indian market. These predictor variables were (1) cultural similarity, (2) cross-national consumer segments, (3) product type (consumer durable and consumer non-durable), and (4) market similarity. The dependent variables in the study were marketing program and process standardization.

Finally, eight hypotheses were developed based on the literature review in Chapter II. These hypotheses were tested using the appropriate statistical methods. Chapter IV will present the results of the quantitative analysis and Chapter V will present the results of the qualitative interviews.

## **CHAPTER FOUR ANALYSIS OF THE DATA**

### **Introduction**

**This chapter presents the results of the data-analysis and results for each of the proposed hypotheses presented in Chapter III of this study. The goal of this study is to test and extend the study of market program and process standardization from the Western to an Indian perspective. U.S. multinational marketing managerial perceptions of market similarity, cross-national consumer segments and cultural similarity between the United States and India, and their impact on marketing program and process strategies were studied. This section starts with a description of the sample selection process followed by a descriptive analysis of the sample. In the latter section the research hypotheses are addressed and the results of the data analysis are presented.**

**The sample for the quantitative study reported in this chapter was obtained from Hoover 750 and Fortune 500 lists of companies. A four- page survey instrument was administered by mail to collect the data for quantitative analysis. The variables, mostly managerial perceptions of marketing program and process standardization used (or would be used) in India, were measured using a five- point Likert scale. Data**

processing included editing, coding and tabulating statistical means for individual questions related to each variable, computing and analyzing the correlation matrix between the variables and doing a factor analysis of select variables.

Statistical methods used were Pearson's correlation coefficients, univariate and bivariate correlations, and factor analysis. Univariate analysis (means) was used to identify the relative importance of each item within a construct. In other words, the mean value of each item within a construct was seen as measure of its relative importance. Bivariate correlation coefficients and Pearson's correlation coefficients were used to provide information on the existence and strength of the association between the constructs. Bivariate correlations between marketing program and process standardization and each of the constructs – market similarity, cross-national consumer segments, cultural similarity and product type – were used to test the research hypotheses. Factor analysis was used to extract factors in each of the two independent variables, cross national consumer segments and cultural similarity. Subsequently, factor analysis was used to extract factors in each of the two dependent variables, marketing program and marketing process standardization. Then, the sets of factors extracted from each of the dependent and independent variables were cross-correlated in a correlation matrix for analyzing interrelationships. The constructs that

constitute the independent and mediating variables were identified after an exhaustive literature review of marketing standardization.

### **Sample Overview**

#### **Sample Selection**

A total of 46 completed questionnaires were gathered from U.S. multinational executives with titles ranging from CEO, International, Vice-President Asia-Pacific to International New Business Development. Of 242 questionnaires that were mailed, 13 were returned due to stated reasons ranging from lack of business interest in India, lack of executive experience in the Indian market and company policy of not answering surveys. This resulted in a 19 percent rate of response on the mail survey conducted for this study.

#### **A Profile of the Respondents**

Background data such as Title and Years of International Experience were collected in the mail survey. Table 4.1 provides a summary view of the information.

**Table 4.1**  
**Classification of Respondents by Years of International Experiences**

Number Years International Experience	Number of Respondents
0 - 5	8
6 - 10	10
11 - 15	7
16 - 20	9
21 and above	7
Missing	<u>5</u>
Total	46

As can be seen from Table 4.1 the respondents' years of international experience are almost evenly distributed through the classification. On average, the respondents had 14.13 years of international experience, with a maximum of 40 years and a minimum of 2 years. The standard deviation on the mean was 8.41. This clearly indicates that the respondents had, in general, a fair amount of experience in the international marketplace.

### **Respondent Titles**

The respondents tended to be from the senior executive levels in the headquarters organization of the U.S. multinational. The survey was mailed to senior international marketing executives in the United States, since these executives are from the upper echelons of management with considerable decision making authority in marketing decisions made in non-domestic markets. Some illustrative titles of respondents are: President-Asia Pacific, President International, Vice-President International Marketing, Director Sales and Marketing Asia Region, Vice-President Strategic Planning, Vice-President Global Export and Advertising Sales and Promotion Manager.

### **Corporate Information**

Company demographics collected were total sales figures with a percentage breakdown for domestic and international sales, total number of workers with a breakdown for domestic and international employment, whether the firm is currently doing business in India, and if so, the firm's mode of involvement in terms of export only, direct investment, joint venture, license agreement and other. Information on the type of business was classified into consumer, manufacturing, service, natural

resource and other. The following section presents information on these corporate characteristics.

**Table 4.2**  
**Total Sales Volume in Millions**

Sales Volume in Millions	Number of firms
0 - 5000	27
5000 - 10000	8
10001 - 20000	6
20001 - 30000	0
30001 and above	1
Total	42

Table 4.2 shows the distribution in terms of total sales volume with a majority of firms having a sales volume of under 5000 million. Sales volume in the category between 5000 - 20000 million are evenly distributed.



**Table 4.3**  
**International Sales Volume**

<b>International Sales Volume in Percentage</b>	<b>Count</b>	<b>Percent</b>
0 - 10	0	0
11 - 20	0	0
21 - 30	1	2
31 - 40	4	11
41 - 50	7	15
51 - 60	8	17
61 - 70	8	17
71 and above	10	21

Table 4.3 shows international sales volume, and these figures were gathered as a percentage of total sales. Table 4.3 shows that more than 50 percent of the total number of firms derived more than 55 percent of their sales from international

markets. The overall distribution indicates that international sales are a significant component of total sales for the firms in the distribution.

**Table 4.4**  
**Currently Doing Business in India**

	Yes	No
Currently doing business in India	36	9

Table 4.4 shows that 36 of 46 firms are currently doing business in India and nine firms are not in the Indian market. Since 78 percent of the respondents are involved in doing business in India, the credibility of the response is higher.

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**INSERT TABLE 4.5 ABOUT HERE**

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**Table 4.5**  
**Mode of Involvement in India**

Mode of Involvement	Number
Export	8
Joint Venture	14
Direct Investment	17
Licensing Agreement	5
Other	<u>3</u>
Total	47

Table 4.5 shows mode of involvement for the firms doing business in India. The data in this section has overlapping information since the same firm may be engaged in more than one mode of involvement. Joint ventures and direct investment seem to be the preferred mode of entry for the firms in the sample, and this could be due to government requirements and need to overcome tariff restrictions on exports.

**Table 4.6**  
**Type of Business**

Type of Business	Number of Firms
Consumer	20
Manufacturing	27
Service	1
Natural resource	2
Other	2

Table 4.6 indicates that a majority of the firms were in consumer, manufacturing or both. If a firm indicated that it was in both consumer and manufacturing, it was counted in both categories.

In summary, the firms are mostly manufacturing or consumer goods producers, or a combination of both. Further, the most popular mode of conducting business in India was through direct investment or joint ventures. Finally, there is a considerable range in the percentage of total sales from international markets, with over 50 percent

of the firms in the sample obtaining 55 percent of total sales from international markets.

### **Hypotheses Tests**

In the following section, each of the research hypotheses that was presented in Chapter III is statistically tested. Eight hypotheses were presented in Chapter III. These hypotheses suggested an association between the four constructs (market similarity, product type, cross national consumer segments and cultural similarity) and marketing program and process standardization used in India by U.S. multinationals. Testing these hypotheses required the use of statistical measures of the association between each of the constructs and marketing program and process standardization used in India. Univariate analysis (means) was used to identify the relative importance of each item within a construct. In other words, the mean of each item within a construct is seen as a measure of its relative importance. The questionnaire measured each item on a 5-point Likert scale. Hence, the relative importance of each item is indicated by its mean value measured on a five-point scale. The higher its mean value, the higher its relative importance to the construct being measured. Thus, in the tables which summarize univariate analysis, the statistical

means, the standard deviations and number of responses for each of the items are presented.

Correlation coefficients are analyzed next to provide a measure of the strength and direction of the association and significance between the dependent and each of the independent variables. Factor analysis was used to extract factors in each of the two independent variables, cross national consumer segments and cultural similarity. Subsequently, factor analysis was used to extract factors in each of the two dependent variables, marketing program and marketing process standardization. Then, the sets of factors extracted from each of the dependent and independent variables were cross-correlated in a correlation matrix for analyzing interrelationships.

### **Factor Analysis**

Factor analysis was applied to the two independent variables, cross national consumer segments and cultural similarity. The eight items in the independent variable, cross national consumer segments, produced three interpretable factors with a cutoff eigenvalue of over one, which explained 67.4 percent of the variance. The eight items in the independent variable, cultural similarity, produced three interpretable factors, with a cutoff eigenvalue of over one, which explained 62.3

percent of the variance. The rotated factor matrices for these two variables are presented in Table 4.7 and 4.8.

In this section we will discuss the independent variable, cross-national consumer segments. The factor analysis for this variable resulted in three factors: Awareness, Segmentation and Country of Origin as shown in Table 4.7. The following section discusses each of the factors.

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INSERT TABLE 4.7 ABOUT HERE

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### **Factor 1: Awareness**

This first factor had a high positive loading on one item: “Major Indian firms are familiar with many major U.S. business-to-business products”. In addition, two other items received moderate positive loadings, “Indians in the more affluent and upper class are well aware of major U.S. brands”; and “Greater consumer mobility has exposed the middle class Indian consumer to a wide range of U.S. products/brands”. A composite of these three factors was labeled “awareness”.

**Table 4.7**  
**Factor Analysis: Cross National Consumer Segments**

**Rotated Factor Matrix**

<b>Loadings</b>			
<b>Variable</b>	<b>Factor 1 Awareness</b>	<b>Factor 2 Segmentation</b>	<b>Factor 3 Country of Origin</b>
Product familiarity	.89		
Brand awareness	.70		
Consumer mobility	.68		
Promotional campaign		.82	
Middle class segment		.77	
Consumer similarity		.68	
Positive U.S. image			.92
Indian segment			.51
Eigenvalue	3.11	1.23	1.05
Pct. Of Var.	38.9	15.3	13.1
Cum. Pct.	38.9	54.3	67.4



**Factor 2: Segmentation**

This factor had a high positive loading on one item, “A promotional campaign developed for the United States can be transferred to India with minor modifications in idiom and translation”. In addition, two other items received moderate to high positive loadings, “The middle class in the United States and the upper tier of the middle class in India have a number of similarities in terms of purchasing power and buying preferences”; and “ Consumers in the United States and India are similar in many ways. Therefore advertisements using certain basic appeals can be used to reach consumers in both countries”. Since this factor relates to market segments, it was labeled “segmentation”.

**Factor 3: Country of Origin**

The third factor had a high positive loading on one item, “Products that originate in the United States are viewed as being of higher quality by the Indian consumer, i.e. country of origin effects are positive for U.S. made/ developed products”; and a low loading on “India offers a market segment for products/ services such as ours”. This factor was labeled “country of origin”.

In this section we will discuss the independent variable, cultural similarity. The factor analysis for this variable resulted in three factors: Traditional Workplace,

Management Hierarchy and Managerial Tolerance as shown in Table 4.8. The following section discusses each of the factors.

**Table 4.8**  
**Factor Analysis: Cultural Similarity**  
**Rotated Factor Matrix**

Variable	Loadings		
	Factor 1 Workplace	Factor 2 Hierarchy	Factor 3 Tolerance
Team work in Indian orgs.	-.79		
Autocratic mgmt. style	.74		
Diff. between men/women	.53		
Quality of work life		.74	
Acceptance of rules/regs		.68	
Respect for authority		.67	
Tolerance for ambiguity			.82
Individual achievement			.68
Eigenvalue	1.90	1.61	1.47
Pct. Of Variance	23.7	20.2	18.4
Cum. Percent	23.7	43.9	62.3

**Factor 1: Traditional Workplace**

This first factor had a fairly high negative loading on one item; “Group/team work is more the norm in Indian organizations”. In addition, two other items received moderate positive loadings on, “Management style in Indian organizations tend to be more autocratic than democratic”, and “There is high differentiation between men and women in the same jobs in Indian organizations”.

**Factor 2: Management Hierarchy/Structure Acceptance**

This factor had moderate to low positive loadings on three items: “Quality of work life is more important in Indian organizations”; “Managers and workers in Indian organizations have a stronger need and acceptance of rules and regulations”; and “Respect for authority is higher in Indian organizations”.

**Factor 3: Managerial Tolerance**

This factor had a high positive loading on one item: “Managers show a higher tolerance for ambiguity in Indian organizations and are able to work in unstructured situations”; and a low positive loading on the other item; “Individual achievement is more highly valued in Indian organizations”.

Factor analysis was applied to nine items of the dependent variable, “program standardization” and to the ten items of the dependent variable, “process standardization”. The analysis extracted three interpretable factors using an eigenvalue cutoff of one for “program standardization”, which explained 69.8 percent of the variance. Three interpretable factors, using an eigenvalue cutoff of one, were extracted for “process standardization” which explained 60.3 percent of the variance. The rotated factor matrices for these two variables are presented in Table 4.9 and 4.10.

In this section we will discuss the dependent variable, program standardization. The factor analysis for this variable resulted in three factors: Elements of Advertisement, Product Visuals and Advertisement as a Whole as shown in Table 4.9. The following section discusses each of the factors.

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**INSERT TABLE 4.9 ABOUT HERE**

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Table 4.9

## Factor Analysis: Program Standardization

## Rotated Factor Matrix

Loadings			
Variable	Factor 1 Elements of Ad	Factor 2 Product Visuals	Factor 3 Ad as a Whole
Same ad illustration	.85		
Setting of ad is same	.84		
Creative copy is same	.78		
Labeling is same		.88	
Package appearance same		.74	
Product image is same		.71	
Media is the same			.79
Ad slogan is the same			.65
Brand name is the same			.62
Eigenvalue	3.54	1.51	1.22
Pct. Of Variance	39.4	16.8	13.6
Cum. Percent	39.4	56.2	69.8

**Factor 1: Elements of the Advertisement**

This first factor had high positive loadings on two items; “The brand name is the same”; “The setting/context of the ad is the same”; and moderate positive loadings on one item; “The creative copy of the ad is generally the same”.

**Factor 2: Product Visuals**

This factor had high positive loadings on one item; “Product labeling is the same”; and moderate positive loadings on two items; “Package appearance is the same”; and “Product image is the same”.

**Factor 3: Advertisement as a Whole**

This factor had moderate positive loadings on one item; “The media is the same”; and low positive loadings on two items; “The ad slogan is generally the same”; and “The brand name is the same”.

In this section we will discuss the independent variable, process standardization. The factor analysis for this variable resulted in three factors: Similar Process, Similar Advertising Process and Localized Process as shown in Table 4.10. The following section discusses each of the factors.

Table 4.10

## Factor Analysis: Process Standardization

## Rotated Factor Matrix

Loadings			
Variable	Factor 1 Similar Process	Factor 2 Advertising Process	Factor Localized process
Similar ad pre-test	.78		
Ad campaign development	.76		
Similar ad post-test	.73		
Media selection	.70		
Distribution approach	.50		
Global advertising		.93	
Product positioning		.77	
Local ad agency			.70
Same ad agency			-.65
Distributor ad review			.59
Eigenvalue	2.75	1.74	1.54
Pct. Of Variance	27.5	17.4	15.4
Cum. Percent	27.5	44.9	60.3

**Factor 1: Similar Process**

This first factor had moderate positive loadings on two items; “We pre-test the ad in India similarly to the United States”; and “The ad campaign development process is the same”. In addition, two items received positive lower loadings; “We post-test our ad in India similarly to the United States”; The approach to media selection decisions is the same”. The last item received very low positive loadings; “We distribute our products in India similarly to the United States.”

**Factor 2: Similar Advertising Process**

This factor received a high positive loading on one item; “We use global advertising campaigns”; and a low positive loading on one item; “Product positioning is the same”.

**Factor 3: Localized Process**

This factor received moderate positive loadings on one item; “We use a local advertising agency in India”; and negative loadings on one item; “We use the same ad agency in India and the United States.” The last item received a low positive loading; “The ad is generally reviewed with our distributors prior to its use”.



The following section reports the results of the tests of each of the hypothesis and incorporates the results of the correlation of factors from the factor analysis.

**Hypothesis 1 a:** Managerial perceptions on cultural similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

### **Cultural Similarity**

All the items in this construct had moderate to high mean values (all were above 2.36). The range was 2.36 to 4.00. Thus, most of the managers perceived a relatively high degree of similarity between the United States and India along Hofstede's four dimensions of culture on which the questions in this section were constructed. For instance, the top ranked items (3.9 or above) were, "A high degree of differentiation exists between men and women in the same jobs in Indian organizations," "Management style in Indian organizations tend to be more autocratic than democratic," and "Respect for authority is higher in Indian organizations."

Table 4.11 gives mean values in descending order for each of the items included in this construct.

**TABLE 4.11**  
**Cultural Similarity: Mean Values**

Label	Mean	Std. Dev.	n
Male/Female Job Differentiation	4.00	.60	45
Management Style	3.98	.66	45
Respect for Authority	3.91	.67	45
Acceptance of Rules	3.49	.82	45
Group/team work	3.07	.78	45
Tolerance for Ambiguity	3.04	.93	45
Individual Achievement	2.95	.99	44
Importance of Quality of work life	2.36	.78	44

1-5 scale: strongly disagree - strongly agree

The correlation coefficient between cultural similarity and program standardization is .3075 and it is significant at the .05 level. (Significance .054). (See Table 4.12). This indicates that managerial perceptions of high cultural similarity between the United States and India has a significant positive impact on the firm's use of program standardization. Hence, the Hypothesis 1a is supported.

Table 4.12  
Inter-Correlation Matrix

	MKTSIM	PROGSTD	PROCSTD	CULTSIM	DURABLES	NONDURAB	CRCONSEG
MKTSIM	1.000 p= .	-.027 p= .868	.087 p= .604	.242 p= .118	.099 p= .519	.237 p= .114	.278 p=.071
PROGSTD	.027 p= .868	1.000 p= .	.530 p= .001	.308 p= .054	.442 p= .004	.399 p= .009	.464 p=.003
PROCSTD	.087 p= .604	.530 p= .001	1.000 p= .	.435 p= .007	.315 p= .058	.517 p= .001	.561 p=.000
CULTSIM	.242 p= .118	.308 p= .054	.435 p= .007	1.000 p= .	.169 p= .284	.375 p= .013	.194 p=.230
DURABLES	.099 p= .519	.442 p= .004	.315 p= .058	.170 p= .284	1.000 p= .	.192 p= .206	.254 p=.101
NONDURAB	.237 p= .114	.399 p= .009	.517 p= .001	.375 p= .013	.192 p= .206	1.000 p= .	.497 p=.001
CRCONSEG	.278 p= .071	.464 p= .003	.561 p= .000	.194 p= .230	.254 p= .101	.497 p= .001	1.000 p= .

(Coefficient / (Cases) / 2-tailed Significance)

“ . “ is printed if a coefficient cannot be computed

**MKTSIM - Market Similarity**

**PROGSTD - Program Standardization**

**PROCSTD - Process Standardization**

**CULTSIM - Cultural Similarity**

**CRCONSEG - Cross Consumer National Segments**

**Hypothesis 1 b: Managerial perceptions on cultural similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.**

The correlation coefficient between cultural similarity and process standardization is .4352 and it is significant at the .05 level. (Significance .007). (See Table 4.12). The higher absolute value of the correlation coefficient for cultural similarity and process standardization (.4352) relative to the correlation coefficient for cultural similarity and program standardization (.3075) indicates a stronger relationship between the perceived cultural similarity between the United States and India and the U.S. multinational's use of process standardization over program standardization. In other words, judging by the higher absolute value of the correlation coefficient for process standardization, it could be said that a stronger relationship exists between perceived cultural similarity between the United States and India and the firm's use of marketing process standardization.

The higher mean values for the cultural similarity variable also indicate that U.S. managers, in general, tended to agree that a high level of perceived cultural similarity exists between the United States and India. The relationship, however, is stronger with regard to marketing process standardization.

The factor correlation matrix between cultural similarity and process standardization shows a significant correlation between the factors, managerial hierarchy derived from cultural similarity (correlation coefficient .3804,  $p=.020$ ) and similar process derived from process standardization.

**Hypothesis 2a:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of program standardization by the U.S. multinational in India.

### **Cross National Consumer Segments**

All the items in this construct as seen in Table 4.13 had moderate to high mean values (all were above 2.11). The range was 2.11 to 4.11. Thus, most of the managers surveyed perceived a moderate to high level of cross cultural segment similarity between the United States and India. The study hypothesizes that if U.S. managers perceive and are in agreement over the existence of cross national consumer segments in the two markets, they are more likely to use marketing program standardization. The moderate to high mean values for cross national consumer segments indicate that they are in general agreement over the existence of simultaneous segments in the two markets. For instance, the top ranked items for this

originate in the United States are viewed as being of higher quality by the Indian consumer, i.e. country of origin effects are positive for U.S. made/ developed products”, “Indians in the more affluent and upper class are well aware of major U.S. brands”, and “Major Indian firms are familiar with many major U.S. business-to-business products”.

**Table 4.13**  
**Cross National Consumer Segments: Mean Values**

<b>Label</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>n</b>
<b>Higher perceived quality of U.S. products</b>	<b>4.11</b>	<b>.74</b>	<b>46</b>
<b>Affluent Indians' awareness of U.S. brands</b>	<b>4.04</b>	<b>.70</b>	<b>46</b>
<b>Familiarity with business-to-business products</b>	<b>3.80</b>	<b>.81</b>	<b>46</b>
<b>Market segment in India for U.S. brands</b>	<b>3.75</b>	<b>1.14</b>	<b>44</b>
<b>Indian consumer mobility</b>	<b>3.70</b>	<b>.76</b>	<b>46</b>
<b>Middle class consumer similarities</b>	<b>3.30</b>	<b>1.01</b>	<b>46</b>
<b>U.S. and India consumer similarity</b>	<b>2.48</b>	<b>1.01</b>	<b>46</b>
<b>Promotional campaign transferability</b>	<b>2.11</b>	<b>.98</b>	<b>46</b>

**1-5 scale: strongly disagree - strongly agree**

The correlation coefficient between cross national consumer segments and program standardization is .4639 and it is significant at the .05 level (Significance .003). (See Table 4.12). So, there is less than a 3 percent chance that the co-variation is purely by chance. This indicates that U.S. managers' perceptions relating to the existence of cross national consumer segments bears a strong relationship to their potential use of marketing program standardization. Hence, Hypothesis 2a is supported.

The factor analysis shows a significant correlation (correlation coefficient .3183,  $p=.048$ ) between the factor "awareness" derived from the independent variable, cross-national consumer segments and the factor "Elements of the Advertisement" derived from the dependent variable, program standardization. There is also a significant correlation (correlation coefficient .5550,  $p=.000$ ) between the factor "segmentation" derived from the independent variable, cross-national consumer segments and the factor "Elements of the Advertisement" derived from the dependent variable, program standardization. Hence, the results of the factor analysis lend further support to Hypothesis 2a.

**Hypothesis 2b**: Managerial perceptions on the existence of cross national consumer segments is positively related to the use of process standardization by the U.S. multinational in India.

The correlation coefficient between cross national consumer segments and process standardization is .5613 and it is significant at the .05 level (Significance .000). (See Table 4.12). The higher absolute value of .5613 between cross national consumer segments and process standardization, relative to .4639 between cross national consumer segments and program standardization, indicates a stronger relationship between perceived existence of cross national consumer segments and marketing process standardization relative to program standardization. In other words, if U.S managers are in stronger agreement on the existence of cross national consumer segments straddling the two markets of United States and India, they are more likely to use marketing process standardization. Hence, Hypothesis 2b is supported.

The factor analysis shows a significant correlation (correlation coefficient .3886,  $p=.021$ ) between the factor “awareness” derived from the independent variable, cross-national consumer segments and the factor “similar process” derived from the dependent variable, process standardization. Hence, the results of the factor analysis lend further support to Hypothesis 2b.



**Hypothesis 3a:** Marketing program standardization is more likely for consumer durables than it is for consumer non-durables.

**Product Type**

The mean value for consumer durables is 2.96, which is higher than the mean value for consumer non-durables at 2.93 (Table 4.14). This indicates that managers tend to agree a little more that they are more likely to use a standardized marketing approach for consumer durables like automobiles, PC's and large appliances, relative to consumer non-durables like soap, fast-food and clothing.

Table 4.14

**Product Type-Consumer Durables vs Non-Durables: Mean Values**

<b>Label</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>n</b>
<b>Consumer durables more likely to be standardized</b>	<b>2.96</b>	<b>1.11</b>	<b>45</b>
<b>Consumer non-durables are more likely to be standardized</b>	<b>2.93</b>	<b>.95</b>	<b>45</b>

**1-5 scale: strongly disagree - strongly agree**

The correlation matrix in Table 4.12 shows the relationship between consumer durable and consumer non-durables to marketing program standardization. The correlation coefficient between consumer durables and program standardization is .4419 with a significance of .004. This indicates that the relationship is significant at the .05 level. The correlation coefficient between consumer non-durables and program standardization is .3990 with a significance of .009. This relationship is also significant at the .05 level (Table 4.12). However, the magnitude or absolute value of the correlation coefficient is stronger and the p-values are lower for consumer durables and program standardization. This lends support to Hypothesis 3a that marketing program standardization is more likely for consumer durables than it is for consumer non-durables.

**Hypothesis 3b:** Marketing process standardization is more likely for consumer non-durables than it is for consumer durables.

The literature survey points out that standardization is less likely for consumer non-durables. This study takes this further by differentiating between marketing program and process, and hypothesizes that process standardization is more likely for consumer non-durables.

The correlation matrix in Table 4.12 shows a correlation coefficient of .5169 with a significance of .001 between consumer non-durables and process standardization. This indicates a significant relationship at the .05 level between consumer non-durables and process standardization. However, the correlation coefficient between consumer durables and process standardization is .3147 with a non-significant p-value of .058. The relationship between consumer durables and process standardization is barely significant at the .05 level. This supports Hypothesis 3b that marketing process standardization is more likely for consumer non-durables than it is for consumer durables.

**Hypothesis 4a**: Managerial perceptions on market similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

### **Market Similarity**

All items in this construct had moderate to low mean values ranging from 1.96 to 3.74 (Table 4.15). In the rankings of market similarity ranging from Very dissimilar to Very similar, the highest mean values indicating higher similarity was for the items, "English usage", "Familiarity with free enterprise", and "Competitive

environment". The distribution system in India was ranked as least similar with the lowest mean value. This opinion was voiced in the personal interviews as well.

Table 4.15

## Market Similarity: Mean Values

Label	Mean	Std. Dev.	n
English Usage	3.74	.83	46
Familiarity with free enterprise	3.13	.81	46
Competitive Environment	2.70	1.05	46
Political System	2.43	.98	46
Management Style	2.41	.83	46
Size of Middle Class	2.26	1.10	46
Distribution System	1.96	.87	46

1-5 scale: Very dissimilar - Very similar

The correlation coefficient for market similarity and program standardization is a negative  $-.0265$  and the p-value is  $.868$  (Table 4.12). The relationship between

perceived market similarity and the use of marketing program standardization is not significant at the .05 level and Hypothesis 4a is not supported.

**Hypothesis 4b:** Managerial perceptions on market similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.

The correlation coefficient between market similarity and process standardization is .0868 with a p-value of .604 (Table 4.12). Hence, the relationship is not significant at the .05 level. This coupled with a rather low correlation coefficient indicates that Hypothesis 4b is not supported.

Hence, the market similarity variable did not appear to be a significant factor in determining the degree of marketing program and process standardization in India for the U.S. multinational.

Chapter V presents the results of the qualitative research. In-depth interviews were conducted with marketing executives of leading multinationals in the mid and upper mid-West regarding the issues discussed in this chapter in order to add depth and dimensionality to the issues studied. The following chapter presents the qualitative data.

Table 4.16

**Quantitative Research: A Summary**

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<b>Objective:</b>	<b>Empirical verification of eight hypotheses (Univariate, bivariate and factor analysis)</b>
<b>Industry:</b>	<b>Consumer and business-to-business MNCs from Hoover 750 and Fortune 500</b>
<b>Point of View:</b>	<b>MNC headquarters marketing executive views / perceptions relating to marketing strategies for India</b>
<b>Measurements:</b>	<ul style="list-style-type: none"> <li>- <b>six constructs:</b> market similarity, product type, cross-national consumer segments, cultural similarity, program standardization and process standardization</li> </ul> <p style="margin-left: 40px;"><b>Contingency framework:</b></p> <ul style="list-style-type: none"> <li>- <b>independent variables</b> – cultural similarity, cross-national consumer segments, market similarity</li> <li>- <b>dependent variables</b> – program standardization and process standardization</li> <li>- <b>mediator variable</b> – product type</li> </ul>
<b>Data collection:</b>	- <b>Four page questionnaire (five point Likert scale)</b>
<b>Sampling Procedure:</b>	<ul style="list-style-type: none"> <li>- <b>convenience sample</b></li> <li>- <b>number of multinational participants: 46</b></li> </ul>
<b>Data processing and analysis:</b>	<ul style="list-style-type: none"> <li>- <b>means</b></li> <li>- <b>bivariate correlations</b></li> <li>- <b>factor analysis</b></li> </ul>

### **Summary**

**This chapter presented the results of the statistical analyses of eight research hypotheses. Statistical methods used were Pearson's correlation coefficients, univariate and bivariate correlations, and factor analysis. For the sample of 46 firms that were included in the survey, it was found that executive perceptions related to cross-national consumer segments and cultural similarity had a significant impact on the degree of marketing program and process standardization used in India by the U.S. multinational. Program standardization was found to be more likely for consumer durables, whereas process standardization was more significantly correlated with consumer non-durables. Finally, the quantitative results did not show a significant relationship between the market similarity variable and marketing program and process standardization likely to be used in India by the U.S. multinational.**

## **CHAPTER FIVE ANALYSIS OF THE QUALITATIVE DATA**

### **Introduction**

In order to provide more in-depth insight into the perceptions of the U.S. marketing executives regarding the Indian market and their firms' approach to the market and to better understand the degree of standardization, in-depth structured interviews were conducted with 10 major global marketers from Fortune 500 companies. The interviews were conducted during a six week period in Summer 1999 in Chicago, Cleveland, Toledo, Columbus, Canton and Akron. The following sections describe the nature of the interviews and international marketing executive perceptions related to marketing standardization from their firm perspective.

### **Nature of the Interviews**

The interviews were conducted in the corporate headquarters with senior International Marketing executives. The sample was a convenience sample, but represented a balance between business-to-business and consumer goods companies that are among the leading multinationals in Middle America. The interviews lasted anywhere from 30 minutes to an hour and the executives responded to questions about



their firms' experience in the Indian market, their perceptions of the market size given the rising middle class and the degree of standardization relating to marketing program and process used in India.

### **Perceptions of Market Size**

All 10 companies interviewed saw the emerging market in India as an important one and perceived excellent long-term potential. However, their perceptions/impressions of the market in the near term was tempered by the difficulties of doing business in a market in the throes of transition from a relatively closed to a more open market. The general consensus was that India is not an easy place to do business, but the long term prognosis for it is good and the firms plan to "hang in there" until the going gets easier. Many have had no recourse except to follow their major global customers into this market. For instance, Wm. Wrigley Jr. Company entered India in the past 4-5 years, but business has not developed as expected in India, since the habit of gum-chewing is not as widespread. Per capita consumption of gum in India is very low relative to the United States and culture could be an important variable in how readily people accept the habit of gum chewing in India and in this regard India is a tough market. In spite of these difficulties, Mr. Doug Barrie, President, Wrigley International states, "What makes India attractive is

the sheer magnitude of its potential. India is a country you cannot afford not to be in. Our challenge is to find a way to get more people to chew gum.”

Goodyear Company’s Mr. Roger Hagstrom, Director of Marketing-Asia Region sees India as “a marketplace in transition” and recognizes that there will be near term twists and turns of this growing economy, in return for the promise of long term return. Goodyear has been in India since 1922 and its image is so local that one of its marketing problems is having too local a face in a country where imported goods have positive country of origin effects. He sees a growing similarity between Indian and U.S./European consumers and attributes this to the influence of global communication networks like the Internet and cable television that have a homogenizing influence on the world in terms of tastes and preferences. He adds, “The middle class in India is growing and with a growing economy free of government intervention, their numbers will grow. This rising middle class will want cars and better roads and may put pressure points on the government to supply better infrastructure in terms of roads, power and telecommunications all of which are in short supply. The middle class segment in India is globalizing, but the rural segment is different.”

Mr. Ken Justice, Director of International Marketing Intelligence for Diebold Inc. which sells ATMs in India concurs with the increasing power of the middle class

stating that, "India has a huge middle class in terms of raw numbers and the ATM opportunity lies with this group which the private banks are targeting. The middle class with its growing purchasing power will look for more convenience oriented delivery channels. Interestingly, he states that, in general "the Indian consumer is similar, but similar to U.S. consumers back in the early 70's on the trust issue. There is the customer segment that is served by the private banks, a lot of them are well-traveled, maybe educated abroad and they could have a different level of trust in the ATMs. But the masses in India are at a very different level of trust."

Mr. Miles Greer of Sara Lee also talked about the bifurcated Indian market. In his words, "India has two different markets: a localized one with modest incomes and a Westernized one with higher income levels. Sara Lee's approach would vary for the two groups. Different market segments exist in the United States as well, but in India it is more pronounced." These comments from executives at leading U.S. multinationals corroborate the existence of cross-national consumer segments in the United States and India. The Indian segment that is willing and able to buy Western brands, albeit small at present, is bound to grow with a growing economy. As an executive at Dana, a leading global supplier of automotive parts, puts it, "We characterize, and continue to characterize India as a very strong growth market. Dana has sort of equated India and Brazil as very strong growth markets in terms of

potential size and critical mass. The current thinking is that India may take a while longer to get there than previously thought. Yet the long term perspective is good.”

### **Entry Form and Level of Commitment**

For the companies interviewed, their level of commitment in India appears to be a function of their chosen mode of entry. American Greetings has used the licensing approach to enter the Indian market and hence its level of commitment is necessarily low. In general internationally, the licensee would buy raw materials from the parent company, but it is different in the case of India. Tariff restrictions in India mandate the use of locally sourced materials. So the Indian licensee, Archie’s, manufactures locally using indigenously sourced raw materials and gets only the art work/design from American Greetings for which it pays a royalty based on sales. In the future, American Greetings plans to follow its major customers into India and may then decide to invest in a wholly-owned manufacturing operation in India, increasing its level of involvement. In contrast, Wrigley’s has chosen to invest in a wholly-owned manufacturing operation in Bangalore, India. The high level of commitment is evidence of the company’s belief in the market’s long term potential.

Owens Illinois, a leading manufacturer of glass containers in the West, now has the largest wholly-owned glass manufacturing operation in India. They started

with a licensee 7-8 years back, acquired the licensee, formed a joint venture with an Indian company and two years back bought out the joint venture partner to become 100% wholly owned. Their evolutionary ratcheting from low to high commitment could be testimony to their faith in the country's long term potential, even though in the near term, Mr. Brian Wesselmann, their international marketing executive says that "this is a slow growth market compared to China". Others like Goodyear, Diebold, Dana and TRW have chosen the joint venture mode. Many in this group have chosen to moderate their level of commitment through the joint venture. Some in this group have entered the market to supply long standing relationships with global customers already in the market, and others have chosen this mode of entry to meet government regulations for local content, or technology sharing with a local partner.

Goodyear's joint venture with South Asia Tyres may be one way of ameliorating the difficulties of the inefficient distribution systems in India. Variations in rules and regulations between the States in India complicates the vagaries of an already inefficient and fragmented distribution system. Diebold's joint venture in India manufactures ATMs in a semi-knock down approach. This helps meet local content requirements and could also be helpful in meeting government bids. Dana and TRW have formed joint ventures with strong local partners. These two giants in the auto parts business have followed their global customers like General Motors,

Honda and Toyota into the Indian market. Sara Lee's commitment is rather low, since it uses exports for its Kiwi brand of shoe polish. Its recent acquisition of the Nutrine brand in India may serve as an introduction into the developing bakery marketplace.

Morton International and Wendy's were the exceptions in the group, since they did not have a presence in the Indian market. Morton's forays into the Japanese market with its salt seasonings have been successful and they hope to explore the possibility of entering the Indian market through a distributor in the not too distant future. Morton's approach in Japan is a middle-ground one that balances standardization with some local modification to suit consumer needs, cultural preferences and government regulations. Wendy's stated that their approach would be quite standardized, since their selling proposition seeks to capture positive country-of-origin effects associated with the American experience and lifestyle characteristics associated with fast food. Morton would most likely use a distributor initially in India and Wendy's would use a locally-owned franchise.

### **Degree of Standardization**

The degree of product, promotion (program), and pricing and channel (process) standardization employed by the firms covered the entire spectrum of standardized,

**middle ground and localized. In general marketing process appeared to be far more standardized than marketing program.**

**Wrigley's is a good example of a company that uses a middle ground, contingency approach to standardization. As for product, it uses the same brands, same package design and same type of display material using the basic philosophy of reapplying what has been successful in other countries. In terms of advertising content, there is some variation. Its ads are not centrally developed and transferred to other countries, including India. A similar copy strategy and message is used with flexibility for local execution, since ways of communicating the message varies from country to country.**

**Initially in India advertising was not Indianized, hence locals could not relate to it. A newly made, soon-to-be-released TV commercial for India is adapted for local sensitivities and shows an Indian movie star in a music video format emphasizing the benefits of facial exercise that gum chewing provides. Wrigley's would like to sell sugar free gum in India by marketing its dental benefits, but Indian government regulations define chewing gum as containing sugar, so sugar free gum is not gum by that definition and it cannot be sold under that category.**

**The pricing strategy in India is similar to the strategy Wrigley uses in developing other markets. The objective is to keep pricing low and stable for as long**

as possible. In the United States the price of a packet of gum was kept at 5 cents for over 70 years and has been maintained at 25 cents since then. In India, a similar pricing strategy is followed. The price of a single stick is Rupee. 1.50, and a packet at Rupees. 9 is relatively cheap, but local competition sells their gum at a lower price. Moreover, many are in the habit of chewing the local “paan”, a homemade blend of betel nut and leaf. Wrigley’s hopes that the current strategy of using local celebrities to endorse the brand could pay off.

Distribution is a problem in India since the distribution system there is very fragmented. Most of the population lives in the rural areas and is hard to reach, hence Wrigley’s is currently focused on the urban areas. As for advertising, some variation is practiced. Ads are not centrally developed and transferred to other countries. A similar copy strategy and message is used with flexibility for local execution, since the most appropriate way of communicating the message varies from country to country. In Mr. Barrie’s words, “There is some centralized guidance or direction, but with local adaptation or sensibility; the weakness in the highly centralized approach is the belief that any one agency or any one location has a monopoly on good ideas”.

Wrigley’s sells a fairly standardized product worldwide, but believes in adapting promotion to local markets. Marketing process is fairly standardized in



Wrigley's case, but marketing program with reference to product and promotion is varied in response to the needs of the local market.

Sara Lee is another company that believes in using a fairly standardized approach that is tweaked to suit local conditions. Since Sara Lee targets the rather Westernized middle class consumer segment in urban India, that is already familiar with Western brands, a standardized approach to product and promotion may be a viable one. As the Sara Lee executive puts it, "The upper class or middle class is well-educated, is exposed to travel/ cable TV and has relatives who live abroad. To that group it is possible to take a fairly Westernized view. If a product is intended for them, i.e., clothing items such as underwear, we would tend to approach it very similarly as elsewhere. Of course, it would have a different retail structure and adaptation would be required for different cultural sensitivities, i.e., no big billboards with a woman in a bra for instance, but otherwise our approach would be standardized". Sara Lee is a large producer of women's underwear, but has no plans to enter the Indian market in the near future. The urban market in India's major metropoli has many similarities to Western markets and should be fairly open to standardized marketing. Sara Lee's approach can, thus, be characterized as fairly standardized. Local managers who know the market better are used to guide/implement marketing decisions. They could change label, appearance, size and

color in response to local consumer habits and traditions, but their overall approach would still fall closer to the standardized end of the marketing spectrum.

The marketing process used is similar in protocol to other LDCs. The marketing campaign would typically include hiring Indian nationals with profound cultural awareness and reliance on an ad agency with demonstrable experience in the Indian market.

Goodyear uses a standardized approach throughout Asia as a way of capitalizing on pan-Asian similarities. The challenge in markets like India and China for them is that markets are not well-developed and sophisticated data collection and analysis of data is not easy or refined, yet overall principles of marketing are the same. Many marketing principles that work in other parts of the world work in India as well, i.e., product planning, distribution, bringing new products into the life cycle and so on.

Goodyear believes it is possible to promote and advertise its products on Cable TV throughout Asia and this means common advertising themes can be considered for an entire geographic region. It also means having common products with similar life cycles in all these countries. To illustrate, ASEAN is a common market where the movement of goods and products is getting easier. Yet, the tariff system in India makes it difficult to operate globally. Tariffs are coming down in India, but it still is

not competitive with the rest of the world. Tariffs and restrictive government policies make India more difficult, but marketing principles used are the same. The distribution system is inefficient in India and the variation in rules and regulations between the Indian States complicates distribution.

However, Goodyear's major impetus to standardize comes from its global customers in India, such as General Motors, Honda and Toyota. India is reasonably advanced enough to be ready for global technology. And, global customers like Honda and Toyota demand a globally competitive product from Goodyear. India has a lot of old cars, but auto makers are bringing in newer technology and demand advanced radial tires. India's market consists of truck and passenger car tires. The passenger car side is growing and radializing, but the truck market may stay with the older bias-ply tires until the road structure is improved.

On Goodyear's approach to marketing process, "Our overall ad agency in the region is a global company. They generally look for common themes, so that we do not have 25 different ad campaigns and approaches for these different countries. However, what we try to do is to determine the degree of marketing program standardization based on local needs, attitudes and interests. But in terms of brand building, we try to do something which can reach across the Asia region and touch a lot of cultures. We try to have one ad agency that helps us take the research and blend

this into the advertising campaigns and programs which have a broad reach from a brand point of view—a combination of local and global is an important feature of being able to globalize”.

Goodyear’s product in the Asian region appears to have a high degree of standardization. As for the marketing process, some aspects such as the use of a global ad agency point to a rather standardized promotional approach, whereas the vagaries of the Indian distribution system calls for a fair amount of local adaptation.

Diebold’s product is fairly standardized on a global basis, but in India it has to be slightly modified to suit local market requirements. Diebold’s joint venture partner in India uses local manufacturing to avoid tariffs. The Indian market requires some unique features, but does not want advanced functions. It basically wants cash-dispensing, low-cost, no frills, reliable, good-quality machines. Since the density of ATMs is very low in India, customers are still wary of trusting the machine. For instance, the customer does not want to deposit cash in an envelope and wait for a statement days later. Rather, they want the machine to give instant credit, or to let them get their money back. The infrastructure issue of unreliable phone lines is making Diebold consider alternative technologies for this market. All of the above market idiosyncracies call for product modification. Hence, Diebold’s product approach in India could be described as middle-ground.

Since Diebold's Indian customers are the large State and private banks, rather than the end user, the company does its marketing on a one-to-one basis. The Indian market from a banking standpoint is divided into State banks and private banks. The private banks are relatively modern, but State banks are unionized and slow to introduce new technologies. No advertising is done in India per se, but public relations is used for media coverage. The Indian ad agency, Roger Perreira, is used to provide media exposure on Diebold's top executive visits to India and of product exhibits. Public relations is also used in lieu of product advertising to build primary demand.

Diebold is a good example of a company that uses product modification, but the company essentially views the Indian market in many ways as similar to the U.S. market back in the early 1970's, particularly on the issue of customer trust in the ATM machine and in terms of product features.

Dana and TRW are suppliers of automotive original and replacement equipment. Both primarily serve the major vehicle manufacturers and assemblers in India, many of whom are prominent automobile multinationals. In the industrial market and aftermarket, Dana sells through distributors and to replacement stores. The major impetus to standardize for these two companies comes from their globalized multinational customers whom they serve. As one TRW executive puts

it, “The automotive business is becoming global, so customers we are serving in India are in many ways the customers we are serving here in the United States. Customers are taking a more global view in product development and are now manufacturing global platforms. So the cars that are made in India are basically the same design as cars that are made in Brazil or elsewhere. When TRW bids for, and wins a supply contract on that global platform, it commits to supply the requirements of that platform around the world. So in that sense, many product similarities are found. Obviously, the Indian market is smaller, still developing, and volume is lower and this impacts cost, pricing strategy and profitability.” This means that, while TRW maintains the same identity around the world, it may have to make some modifications for the Indian market.

Owens Illinois is one of the largest makers of glass containers in India and, like many others interviewed for this study, markets to major food and beverage multinationals that entered India in the aftermath of the country’s liberalization. Owens Illinois is attempting to standardize products worldwide as well as in India, but is inhibited from doing so in India by quality of materials and labor. The glass manufactured in India tends to be 40 percent heavier and of lower quality due to the nature of the raw materials. The country’s underdeveloped distribution infrastructure inhibits standardization of marketing process.

**American Greetings is a consumer goods company that has entered the market using a licensing strategy but has trouble using the standardized approach in India due to the lower quality of paper and other raw materials used for greeting card production. Some of the unique features of the Indian market, in its view, require both marketing program and process localization. The licensee in India handles all promotional aspects. Ironically, India is a sizeable English speaking middle class population, but the habit of sending cards which is a deep tradition in the English speaking world is missing in India. A high literacy rate is another leading indicator of potential number of cards sold and India falls short on this as well. In essence, India does not have a culture of sending cards and assimilating greeting cards into another culture is not easy. As Mr. Peter Pizarro, VP International Business Development at American Greetings, puts it, “Consumer non-durables like batteries, film, scotch-tape and razor blades can be sold in other countries with little modification, but greeting cards are very culturally sensitive and need adaptation.” He adds, “The challenge in India is to develop primary demand, and this is difficult in a country with a low literacy rate, since card buying is a function of educational levels along with purchasing power. The price of a card is much lower in India (40c) and at this cost it is difficult to add additional value. The quality of the card is much lower, and the finish or extra value is not added due to the lower price point”. All of**

these challenges in the Indian market lead to the company's use of a fairly localized product and process approach in the Indian market.

The projected scenario may change if a major retailer like Wal-Mart, whom American Greetings currently supplies, enters the Indian market. Wal-Mart's push for a standardized, better quality product may result in American Greetings using a wholly-owned subsidiary or joint venture to produce a higher quality card in India.

Wendy's, a fast-food multinational has not entered India, but believes it would use a rather standardized product approach, if it does enter the market in the future. Wendy's is strong on global branding and has a positioning emphasis on quality, variety and restaurant atmosphere. Conceptually, it wishes to transfer this brand around the world. Factors favoring this approach are shrinking global communications and certain fundamental similarities inherent in heavy fast food consumers around the world, such as a penchant for economy, convenience, filling and satisfying food and a familiar and predictable eating experience. Moreover, the product satisfies a fundamental human need. However, Wendy's is quick to realize that, while all four needs may be present in consumer segments across the globe, the ways in which these needs manifest themselves may be culturally dependent. For instance, the way in which "economy" is defined in India may be different because of differences in purchasing power and general economic conditions. These



**differences mean that some modification and product refinements may be necessary, but Wendy's overall strategy of using a standardized marketing program and process approach remains the same. As Wendy's puts it, "We do not wish to compete with the local fast-food chains, but wish to give the consumer a genuine American fast-food experience". This approach, while harnessing the benefits of standardization could also serve to differentiate and position the Wendy's brand in a clearly marked niche that is not vulnerable to local competition.**

Table 5.1

**Qualitative Research: A Summary**

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**Objective:** In-depth analysis of U.S. multinational executive perceptions of marketing program and process standardization strategies used (or would be used) in India.

**Data-Collection:**

–semi-structured, in-depth interviews of Fortune 750 international marketing executives located at U.S. MNC corporate headquarters.

**Data Sources:**

–personal interviews  
–secondary published information  
–company annual reports  
–company web sites

**Data Processing:**

–transcription and analysis of interview data  
–construction of typologies  
–propositions related to the use of marketing standardization

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Finally, these 10 companies approach, general and specific, to the Indian market can be summarized in a series of two-by-two matrices.

Table 5.2

### Size of Middle Class/Market Similarities

		Medium/Small	Large
		Cultural Similarities	High
Low	Diebold Dana American Greetings TRW		Wrigley's Owens-Illinois

Table 5.3

### Mode of Entry

		Export/Distributor/ Licensing	Joint Venture/ Greenfield
		Market Potential	High
Low	American Greetings Sara Lee		Dana TRW Diebold

Table 5.4

**Level of Commitment****Degree of Program Standardization  
(Product and Promotion)**

	High	Low
High	Wrigley's Goodyear Dana TRW	Sara Lee
Low	Owens-Illinois Diebold	American Greetings

TABLE 5.5

**Level of Commitment****Degree of Process Standardization**

	High	Low
High	Goodyear Diebold Wendy's Wrigley's	Sara Lee
Low	Dana TRW Owens-Illinois	American Greetings

Table 5.6

**Perceived Existence of Cross National Consumer Segments**

		High	Low
Degree of Program Standardization (Product and Promotion)	High	Wrigley's Sara Lee Goodyear Dana TRW Wendy's	
	Medium	Morton Industries	Diebold
	Low	Owens-Illinois	American Greetings

TABLE 5.7

**Perceived Existence of Cross National Consumer Segments**

		High	Low
		High	Sara Lee Goodyear
Medium	Wrigley's Wendy's		
Low	Dana TRW Owens-Illinois Morton International	Diebold American Greetings	

**Degree of Process Standardization**

### **Summary**

What these personal interviews have permitted is to “put a face” on the quantitative data presented in Chapter IV, and to provide some interesting “why’s” regarding the U.S. global firms’ approach to India. For most of the companies interviewed, standardization was driven by two primary reasons:

(1) to maintain a strong worldwide brand identity in the case of consumer goods companies, that in many cases perceived the existence of similar cross-national consumer segments in the United States and in India.

(2) the influence of customer pull in the case of industrial marketers, like Dana, TRW and Owens Illinois, that had followed their major multinational global customers into the market.

Chapter VI presents the summary and conclusions for the study along with a discussion of the limitations of the research. Practical implications and directions for future research are also discussed in the concluding chapter.

## **CHAPTER SIX SUMMARY AND CONCLUSIONS**

This dissertation presents the findings of a study that, through quantitative and qualitative data, examined the perceptions of U.S. MNC international marketing executives related to the use of standardized marketing program and process strategies in the Indian market. The study had the following objectives:

- (1) To determine U.S. international marketing executive perceptions relating to similarities/differences between the United States and India in terms of cultural similarity, cross-national consumer segments (consumer similarity) and market similarity.
- (2) To determine the impact of these perceptions on marketing program and process strategies used (or would be used) by U.S. multinationals in India.

The results of this study offer insights into the use of marketing program and process approaches in India. Specifically, the study indicates that marketing executive perceptions related to the key constructs in the study are correlated to the degree of standardization of marketing program and process approaches used in India. Since most U.S. MNCs are relatively new entrants to the Indian market, they have tended to “play it by ear” in devising marketing approaches to the Indian market. This study



attempts to reveal underlying motivation/rationale for current marketing approaches used by U.S. MNCs and to discern some useful patterns.

The sample for the quantitative study reported in Chapter IV was obtained from Hoover 750 and Fortune 500 lists of companies. A four page survey instrument was administered by mail to collect the data for quantitative analysis. (See Appendix 1). The variables, mostly managerial perceptions of marketing program and process standardization used (or would be used) in India, were measured using a five-point Likert scale. Data processing included editing, coding, tabulating statistical means for individual questions related to each variable, computing and analyzing the correlation matrix and crosstabulations between the variables.

Statistical methods used were Pearson's correlation coefficients, univariate and bivariate correlations. Univariate analysis (means) was used to identify the relative importance of each item within a construct. In other words, the mean value of each item within a construct was seen as measure of its relative importance. Bivariate correlation coefficients and Pearson's correlation coefficients were used to provide information on the existence and strength of the association between the constructs. Bivariate correlations between marketing program and process standardization and each of the constructs – market similarity, cross-national consumer segments, cultural similarity and product type – were used to test the research hypotheses. The constructs

that constitute the independent and mediating variables were identified after an exhaustive literature review of marketing standardization.

Chapter V reported the results of the qualitative study used to supplement and enhance the results obtained from the quantitative study. The qualitative study reported the results of in-depth personal interviews conducted with international marketing executives of 10 major multinationals in the mid and upper mid-West. The qualitative sample included leading consumer durable and consumer non-durable multinationals, as well as multinationals engaged in business-to-business marketing in India. Eight of the ten firms interviewed were currently in India, while the remaining two were considering entry. A brief summary of the results pertaining to the quantitative and qualitative results follows:

**Managerial perceptions relating to Cultural Similarity between the United States and India and MNCs use of marketing Program and Process Standardization**

The following hypotheses relating to cultural similarity were tested.

**H1a: Managerial perceptions on cultural similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.**

**H1b: Managerial perceptions on cultural similarity between the United States and India is positively related to the use of process standardization by the U.S. MNC in India.**

The quantitative results showed a strong correlation between perceived cultural similarity and the use of program and process standardization. However, the qualitative interviews provided more fine-grained insights into cultural similarities and dissimilarities between the two markets. For instance, Goodyear emphasized the homogenizing influence of global communication networks, such as the Internet and CNN, and the resulting compression of space and time, which could soften cultural differences and create global similarities. By contrast, Wrigley's was more cognizant of the cultural differences in pointing out the cultural resistance to gum-chewing in India, probably as a remnant of British colonialist influence. In the same vein, American Greetings too, was very much aware of the difficulties in assimilating the tradition of sending greeting cards to the Indian culture. While recognizing similarities in the cultures, these executives pointed out some noteworthy differences. This notion fits in with the ideas advanced in the literature review in Chapter II, which points out that, while there are recognizable cultural differences between the United States and India, Hofstede and others suggest that deeper similarities may facilitate the use of standardized marketing program and process approaches in the Indian market.

**Managerial perceptions relating the existence of Cross-National Consumer Segments to marketing Program and Process standardization.**

The following hypotheses were tested concerning cross-national consumer segments.

**H2a:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of program standardization by the U.S. multinational in India.

**H2a:** Managerial perceptions on the existence of cross-national consumer segments is positively related to the use of process standardization by the U.S. multinational in India.

The results of the quantitative analysis supported the association between managerial perceptions on the existence of cross-national consumer segments and the use of marketing program and process standardization. The qualitative interviews illuminated several nuances inherent in the association. For instance, the focus of the present study is on the middle class consumer in India and the United States, since the hypotheses carry the assumption that it is the emerging middle class consumer in transitional economies like India, that make the idea of cross-national consumer segments feasible. Wrigley's, however, pointed out that the middle class in both markets tend not to be gum chewers, since potential gum chewers tend to come from the lower end of the economic scale.

Sara Lee, while recognizing the existence of cross-national consumer segments, pointed out the stratification in this segment in India. India has two different markets—a localized one with modest incomes and a Westernized one with higher income levels. Different market segments exist in the United States as well, but in India it is more pronounced.

Goodyear pointed to the homogenizing influence of global communication networks, such as CNN, which could lead to the creation of cross-national consumer segments. Goodyear's views were clearly reminiscent of Levitt (1983) who foresees convergence of consumer tastes and homogenization of world markets driven by the forces of technology. As the literature review in Chapter II points out, the concept of using worldwide consumers, not countries, as the basis for segmentation is a feasible idea to many of the international marketing executives in the sample. The quantitative results substantiate this notion, and the qualitative results indicate the MNC executives are well aware of the complexities of targeting "strategically equivalent segments" across markets, such as India and the United States.

**Managerial perceptions related to Product Type and the use of marketing Program and Process standardization.**

The following hypotheses were tested related to Product Type (Consumer durables and Consumer Non-durables).

**H3a:** Marketing program standardization is more likely for consumer durables than it is for consumer non-durables.

**H3b:** Marketing process standardization is more likely for consumer non-durables than it is for consumer durables.

The quantitative analysis supports the hypotheses that program standardization is more likely for consumer durables, whereas process standardization is more likely for consumer non-durables. Most of the executives interviewed indicated a fairly high degree of program (product) standardization for consumer durables, i.e., Goodyear tires. Promotional approaches, another aspect of program standardization, however, tended to vary depending on market conditions. The advertising, in some cases, had to be Indianized to appeal to local culture. However, the product itself was sold with little modification. The distinction between product and promotion approaches, which were considered under the rubric of program standardization, was highlighted in the interviews.

Process standardization was more likely for consumer non-durables with a high level of commitment. So, mode of entry may be a factor that dictates the degree of

process standardization used by the firm. These results offer further support to the viewpoint presented in Chapter II that standardization varies with type of product (Ryans 1969), and nature of product is one of the mediating variables affecting degree of standardization (Jain 1989).

**Managerial perceptions related to Market Similarity and the use of marketing Program and Process standardization.**

**H4a:** Managerial perceptions on market similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

**H4b:** Managerial perceptions on market similarity between the United States and India is positively related to the use of program standardization by the U.S. MNC in India.

The literature review in Chapter II cites several market similarities between the United States and India in terms of commonalities in political and economic systems, similarities in the rising middle class and English usage. However, the quantitative results did not show a significant correlation between the market similarity variable and the firm's use of marketing program and process standardization. The qualitative data gathered from the interviews tells a similar story as well. Executives, in general, were quick to point out the market differences and emphasize the differences that, in the Indian context, caused problems for their firms. For instance, Goodyear pointed out the

differences in distribution systems between the States in India, and the resulting fragmentation of the system as a major barrier to their distributional efficiency. Diebold pointed out the differences between the middle class Indian and U.S. consumer on the issue of trust in the ATM machines. Wrigley's noted the differences in purchasing power and higher price sensitivity of the Indian consumer. So, with regard to the market similarity variable, executive perceptions seemed to reflect quite accurately the results garnered from the quantitative survey results. International marketing executives were acutely aware of the market differences between the two countries.

The results of the in-depth executive interviews added a rich dimension of insight into marketing program and process related issues considered in this study. These results are presented in this study while recognizing the limitations outlined in the next section.

### **Limitations of the Study**

One of the limitations in this study was its reliance on U.S. headquarters executive perceptions regarding the use of marketing program and process standardization. A more balanced perspective might include the perceptions of executives of the multinationals' Indian subsidiary located in India. Some of the reasons for limiting the study to U.S. executive perceptions were the difficulties



associated with collecting data in the Indian market, and the lengthy time requirements along with the prohibitive cost of undertaking a study of this magnitude. Further, as the quantitative and qualitative results indicated, many of the major U.S. multinationals only have a limited physical presence in India at present. The primary objective of this study was to collect quantitative and qualitative data by using a survey instrument and in-depth personal interviews. An unpredictable communication infrastructure in India would have made doing the same in India a rather daunting task. However, it is a possible avenue of future research.

A second possible limitation relates to the use of U.S. multinationals only. However, this again also offers an opportunity for future research.

Another limitation derives from using India as the focus of the study. How similar is India to other transitional economies and how replicable is a model developed in the Indian context to other economies in the region? While India's culture, size and history contribute to major differences relative to many of its Asian neighbors, as well as other transitional economies, India is very much a developing/growing economy grappling with the problems of integrating itself into the global trading system, and in this sense it shares commonalities with many other transitional economies/countries dealing with similar issues.

Problems associated with non-response bias are inherent in most international business surveys, especially mail surveys. While the response rate was good by international business research standards and while steps were taken to test for non-response bias, there are some concerns that always relate to this problem.

### **Managerial Implications**

This study extends the research on marketing standardization significantly by differentiating between marketing program and marketing process standardization. “Program” in this study refers to the product and promotion, whereas “process” refers to the entire outline of activities that occur prior to and during the implementation of the marketing program. These include the actual management of the channel and the process of choosing an advertising agency. As the literature review points out, most prior studies on marketing standardization focused almost exclusively on marketing program standardization, especially the global versus local advertising question, but neglected the study of marketing process standardization. This led to many gross oversimplifications including slogans like “think global, act local”. Further, it offers important findings for those considering the degree of marketing decentralization that may be appropriate for the market. Since this study focuses on the Indian market, it can

be useful to firms in developing strategies for the effective use of marketing program and process strategies for India. Specifically it can be used to:

- (a) get an overview of the marketing program and process strategies used by a sample of leading U.S. multinationals in India, and
- (b) get a better understanding of some of the variables impacting the use of marketing program and process strategies in India.

Corporate interest in the issues related here is clearly evidenced by (a) the major study reported in *Advertising Age International* in June 1999 that examined many advertising and media decision making considerations globally and (b) by the interest indicated by the firms in the qualitative portion of this dissertation research.

The topics presented here are timely and offer many operational suggestions for firms currently involved (or planning to be involved) in marketing in India.

### **Directions for Future Research**

The topic of this study, marketing program and process strategies for India, is a fairly unexplored area of research in international marketing. As was pointed out in the discussion of limitations of this research, a potential area for further research is a replication of this study from the Indian subsidiary's perspective. Such a study may very

well identify concepts that were overlooked in the present study, in addition to providing an alternate perspective on the issues under study.

The influence of demographic variables, such as mode of entry/level of commitment, or even organizational structure on the degree of marketing program and process standardization used may prove to be a fruitful area of research.

Problems with operationalization of the market similarity variable may have resulted in the lack of significant correlation between this variable and market program and process standardization. Although an explanation for the lack of significant correlation for this variable was presented in an earlier section, a reevaluation of this variable using better measures may prove useful. In addition, cultural similarity is another variable that deserves more attention from researchers. Hofstede has provided fertile ground for the study of this variable, but its study specifically with reference to the Indian market has been limited.

In addition, a number of suggested areas for future research were noted in the limitations section. In particular, this research could be replicated in other transitional economies.

**Appendix 1**

**Questionnaire and Cover Letter**



June 10, 1999

1-2-3-4

5?

6?

7?

8?

9?

10?

Dear 1- 3--:

The growth of emerging markets, such as India, presents new and exciting opportunities for investors/corporations in developed countries, such as the United States. As part of my dissertation research, I am conducting a study of U.S. executive perceptions related to marketing strategies used in India. I am turning to a select group of leading U.S. executives to provide me with their insights and experiences.

As a senior executive in one of these leading U.S. multinational corporations, your response to this survey is extremely important to me. Your participation will not only help me develop an accurate description of marketing strategies appropriate for India, but will also assist other firms as they consider entering this important new emerging market.

I can assure you that your response will be kept strictly anonymous; only aggregate data will be used in the study. For your convenience, I am inclosing a prepaid business reply envelope for the completed questionnaire's return. As a respondent to the survey, I will be pleased to provide you with an advanced summary of the results. Just send your business card in a separate envelope to the address at the end of the questionnaire.

Finally, I wish to again emphasize that your response is completely confidential. If you have any questions regarding the study, or particular questions on the questionnaire, please feel free to contact me at the telephone numbers indicated below. I thank you in advance for your willingness to participate in this study related to a challenging and important region of the world.

Sincerely,

Ana Chand  
Associate Professor of International Business

Enclosures

## MARKETING STRATEGIES FOR INDIA

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The following sections present issues related to marketing U.S. products in India. This questionnaire is designed to obtain your perceptions of the Indian market and issues related to marketing in India.

**PART I. How would you rate India in comparison with the U.S. on each of the following statements?**  
(Please circle your response.)

	Very Dissimilar	Very Similar
1. Political system	1-...2-...3-...4...5	
2. Familiarity with free enterprise	1-...2-...3-...4...5	
3. English usage	1-...2-...3-...4...5	
4. Size of middle class	1-...2-...3-...4...5	
5. Distribution system	1-...2-...3-...4...5	
6. Competitive environment	1-...2-...3-...4...5	
7. Management style	1-...2-...3-...4...5	

**PART II. Please indicate your views on each of the following statements:**  
(Please circle your response.)

	Strongly Disagree	Strongly Agree
1. The middle class in the U.S. and the upper tier of the middle class in India have a number of similarities in terms of purchasing power and buying preferences.	1-...2-...3-...4...5	
2. Consumer durables (autos, PC's, large appliances) are more likely standardized for sale in both markets.	1-...2-...3-...4...5	
3. Major Indian firms are familiar with many major U.S. business-to-business products.	1-...2-...3-...4...5	
4. A promotional campaign developed for the U.S. can be transferred to India with minor modifications in idiom and translation.	1-...2-...3-...4...5	
5. Indians in the more affluent and upper class are well aware of major U.S. brands.	1-...2-...3-...4...5	
6. Greater consumer mobility, i.e. increased travel opportunity has exposed the middle class Indian consumer to a wide range of U.S. products/brands.	1-...2-...3-...4...5	
7. Consumer non-durables (soap, fast-food, clothing) are more likely standardized for sale in both markets.	1-...2-...3-...4...5	
8. Consumers in the U.S. and India are similar in many ways. Therefore, advertisements using certain basic appeals can be used to reach consumers in both countries.	1-...2-...3-...4...5	

	Strongly Disagree	Strongly Agree
9. Products that originate in the U.S. are viewed as being of higher quality by the Indian consumer, i.e. country of origin effects are positive for U.S. made/ developed products.	1-...-2-...-3-...-4...-5	
10. India offers a market segment for products or services such as ours.	1-...-2-...-3-...-4...-5	

**PART III.** We are interested in the advertising approach that global firms such as yours currently take, or would take in the Indian market. In particular, we are interested in determining the extent to which you feel that promotion for your product should be altered for the Indian market. (Please circle your response.)

	Strongly Disagree	Strongly Agree
1. The creative copy of the ad is generally the same.	1-...-2-...-3-...-4...-5	
2. The ad slogan is generally the same.	1-...-2-...-3-...-4...-5	
3. The media is the same.	1-...-2-...-3-...-4...-5	
4. The brand name is the same.	1-...-2-...-3-...-4...-5	
5. The illustration of the ad is generally the same.	1-...-2-...-3-...-4...-5	
6. The setting/context of the ad is the same.	1-...-2-...-3-...-4...-5	
7. Package appearance is the same.	1-...-2-...-3-...-4...-5	
8. Product labeling is the same.	1-...-2-...-3-...-4...-5	
9. Product image is the same.	1-...-2-...-3-...-4...-5	

**PART IV.** We are also interested in determining the extent to which you currently follow the same approach (or would follow the same approach) in marketing your products in India. Please indicate your agreement on the following scale: (Please circle your response.)

	Strongly Disagree	Strongly Agree
1. The ad campaign development process is the same	1-...-2-...-3-...-4...-5	
2. The approach to media selection decisions is the same.	1-...-2-...-3-...-4...-5	
3. The ad is generally reviewed with our distributors prior to its use.	1-...-2-...-3-...-4...-5	
4. We pre-test the ad in India similarly to the U.S.	1-...-2-...-3-...-4...-5	
5. We post-test our ad in India similarly to the U.S.	1-...-2-...-3-...-4...-5	
6. We use the same ad agency in India and the U.S.	1-...-2-...-3-...-4...-5	
7. We use a local Indian advertising agency in India.	1-...-2-...-3-...-4...-5	
8. We distribute our products in India similarly to the U.S.	1-...-2-...-3-...-4...-5	



- |   | Strongly Disagree         | Strongly Agree |
|---|---------------------------|----------------|
| 9. We use global advertising campaigns. | 1-...-2-...-3-...-4-...-5 |                |
| 10. Product positioning is the same.    | 1-...-2-...-3-...-4-...-5 |                |

**PART V. Management styles may be different across the world. Therefore, we are interested in your opinions about Indian management / organizations compared to U.S. management / organizations. (Please circle your response.)**

- |  | Strongly Disagree         | Strongly Agree |
|--|---------------------------|----------------|
| 1. Respect for authority is higher in Indian organizations.  | 1-...-2-...-3-...-4-...-5 |                |
| 2. Management style in Indian organizations tend to be more autocratic than democratic.                                    | 1-...-2-...-3-...-4-...-5 |                |
| 3. Individual achievement is more highly valued in Indian organizations.   | 1-...-2-...-3-...-4-...-5 |                |
| 4. Group/team work is more the norm in Indian organizations.   | 1-...-2-...-3-...-4-...-5 |                |
| 5. Managers show a higher tolerance for ambiguity in Indian organizations and are able to work in unstructured situations. | 1-...-2-...-3-...-4-...-5 |                |
| 6. Managers and workers in Indian organizations have a stronger need and acceptance of rules and regulations.              | 1-...-2-...-3-...-4-...-5 |                |
| 7. There is a high differentiation between men and women in the same jobs in Indian organizations.                         | 1-...-2-...-3-...-4-...-5 |                |
| 8. Quality of work life, i.e. employee well-being is more important in Indian organizations.                               | 1-...-2-...-3-...-4-...-5 |                |

**Part VI**  
**Additional Comments:** \_\_\_\_\_  
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