

THE ADAPTATION VS. STANDARDIZATION DILEMMA: THE CASE OF AN AMERICAN COMPANY IN BRAZIL

Theлма Valéria Rochaⁱ
Susana Costa e Silvaⁱⁱ

ABSTRACT

This study analyzes the adaptation versus standardization dilemma in International Marketing in subsidiaries of multinationals corporations. It highlights the importance of GMS – global marketing strategies – in the ability to innovate in subsidiaries in emerging economies, as Brazil. The objective is to find out how the level of autonomy displayed by subsidiaries influences the adaptation vs. standardization dilemma, and, consequently, the marketing-mix program. The methodology followed is qualitative research using a case-study approach in an American multinational from the food sector. In this case, we found out that firm's brands are very important to this firm's success overseas, which sustains that brand policies should be defined carefully at both levels: subsidiaries and headquarters. This brand policy influences direct the autonomy to innovate in marketing at subsidiaries level. This study is useful for managers at subsidiaries who need to understand the importance of global marketing strategies, and also for managers at headquarters who need to verify in which circumstances autonomy pays off.

Keywords: International marketing. Subsidiaries. Marketing management.

ⁱ Escola Superior de Propaganda e Marketing (ESPM/SP); Professora do Programa de Mestrado em Gestão Internacional da ESPM na área de Marketing Internacional; tvrocha@espm.br; Rua Dr. Álvaro Alvim, 123, Vila Mariana, São Paulo/SP.

ⁱⁱ Universidade Católica Portuguesa; Professora do Mestrado em Marketing e em Gestão; ssilva@porto.ucp.pt; Rua Diogo Botelho, 1327, Centro Regional do Porto, Portugal.

1 INTRODUCTION

The role of subsidiaries has been frequently emphasized in the international business literature (e.g. Foss & Pedersen, 2004; Frost *et al.*, 2002). Analyzing the complex reality of the multinational companies (MNC), with many subsidiaries spread around the world, we observe the organizational challenge of develop new products and brands, in the headquarters and also in the subsidiaries.

Researches in the area (Boehe, 2005; Venaik *et al.*, 2005) indicate that the ability of launching new products and fast innovation are one of the main competitive advantages for multinationals. In this context, these represent a “network”, where innovation is generated in many parts and transferred to several inter-related units (Minbaeva *et al.*, 2003; Bartlett; Ghoshal, 1998; Nohria; Ghoshal, 1997).

Thus, the definition of multinationals as a network has inspired many researches about the creation, assimilation and diffusion of internal innovation, emphasizing the role of subsidiaries in this process (Foss & Pedersen, 2004; Frost, *et al.*, 2002).

Some researches on subsidiaries have directed the focus for specific functional areas in companies, such as marketing, production, logistics or research and development (Birkshaw, 2001; Paterson & Brock, 2002), but this is not so usual. Boehe (2005) indicates that the research done in Brazil regarding the development of new products in multinationals has considered the autonomy of the subsidiaries regarding the headquarters as a relevant variable in the process. However, these researches are based on studies of multiple cases, which, although valuable, are difficult to generalize. On their hands, Young and Tavares (2004) emphasize that the autonomy variable would have to be analyzed regarding functional activities of the firm, since the autonomy can vary in the value chain. Therefore, autonomy may have to be analyzed in a specific functional context, as marketing, for instance.

According to Birkinshaw & Morrison (1995, p.750) “research needs to focus below the subsidiary level, preferably at a single value-adding function such as a manufacturing operation or a product management group.” Therefore, a more fine tuning approach is also considered useful.

In this context, the objective of this work is to examine the influence of subsidiaries’ ability to innovate in marketing in an emerging economy, such as Brazil. Following this hint

we attempt to develop a framework for the analysis of different levels of autonomy displayed by subsidiaries towards their headquarters. We intend to find out how the level of autonomy displayed by subsidiaries influences the adaptation vs. standardization dilemma, and, consequently, the marketing-mix program. This dilemma is related with two extreme options that firms can take: on the one hand, they want to increase innovation on the part of their subsidiaries, so that they can better adapt to local markets; on the other hand, there are some global directions that have to be accommodated by subsidiaries so that headquarters do not lose their identity in terms of global brands and products, and can achieve economies of scale through concise actions. Consideration of this balance has been acknowledged to develop a new vision of subsidiaries as units that can provide for the MNE development as a whole (Bartlett & Ghoshal, 1992; Rugman & Verbeke, 2001; Nohria & Ghoshal, 1997).

There are unquestionable advantages and drawbacks associated with each of these extreme positions. But the question is: to what degree should each be combined so that the best results for the firm are produced?

2 THEORETICAL BACKGROUNDS

In this section, we will initially explore major perspectives of global marketing strategy. We will then deal with the issues regarding the global marketing strategy in multinationals and, the marketing program standardization. Finally, we explore issues regarding the autonomy of the subsidiaries of multinationals in Marketing.

2.1 Global Marketing Strategy

Marketing activities in subsidiaries are related to Global Marketing Strategy (GMS) adopted in MNCs (Jain, 1989). Following Zou and Cavusgil (2002), there are three major perspectives of global marketing strategy. Table I summarizes the main theoretical logic, the key variables, and the causes and effects associated with these three perspectives.

The first view is the standardization perspective (as proposed by Jain, 1989; Levitt, 1983). These authors consider that there is a convergence of cultures, demand is getting similar around the globe, trade barriers are getting lower, there are technological advances and firms are displaying a global orientation in their strategy. It views a firm as pursuing a global marketing strategy if its marketing programs across different countries are standardized, particularly with regard to its product offering, promotional mix, price, and channel structure

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(Johansson, 1997; Keegan, 2000). The influence of this view is reflected on a large amount of publications on the standardization/adaptation topic in the literature (Cavusgil, Zou, & Naidu, 1993; Jain, 1989; Laroche *et al.*, 2001; Samiee & Roth, 1992).

Perspective	Comparative Advantage	Key Variables	Antecedents	Effects
Standardization perspective Authors: Levitt (1983); Jain (1989);	<ul style="list-style-type: none"> - Scale Economies - Low-cost - Simplification 	<ul style="list-style-type: none"> - Product Standardization - Promotion standardization - Standardized channel structure - Standardized price 	<ul style="list-style-type: none"> - Convergence of cultures - Similarity of demand - Low trade barriers - Technological advances - Orientation of firm 	<ul style="list-style-type: none"> - Efficiency - Consistency - Transfer of ideas
Configuration coordination perspective Authors: Craig and Douglas (2000); Porter (1991); Roth, Schweiger and Morrison (1991).	<ul style="list-style-type: none"> - Comparative advantage - Interdependency - Specialization 	<ul style="list-style-type: none"> - Concentration of value-chain activities - Coordination of value chain activities 	<ul style="list-style-type: none"> - Low trade barriers - Technological advances - Orientation of the firm - International experience 	<ul style="list-style-type: none"> - Efficiency - Synergies
Integration perspective Authors: Birkinshaw, Morrison and Hulland (1995), Yip (1995); Zou and Cavusgil (1996).	<ul style="list-style-type: none"> - Integrated production in subsidiaries - Rationalization - Global competitive environment idea 	<ul style="list-style-type: none"> - Global movements integration - Global market participation 	<ul style="list-style-type: none"> - Low trade barriers - Global orientation of the firm - International experience - Integrated markets 	<ul style="list-style-type: none"> - Efficiency increase - Integration as international strength

Table 1 – Major Perspectives of *Global Marketing Strategy* (GMS)

Source: Zou and Cavusgil (2002, p. 41).

However, even though the standardization perspective is popular, its adoption is not unconditional, as referred by Douglas and Wind (1987). In their study, authors suggest that standardization strategy increases firm's performance, but just for firms in which competition takes place in a global scope, such as fashion, luxury goods, perfumes, etc. In these cases, the same product is sold all over the world. However, there are other industries in which the same does not apply and this must be considered.

A second major perspective of global marketing strategy focuses on configuration and coordination of a firm's value chain activities (Craig and Douglas, 2000; Porter, 1991; Roth,

Schweiger, & Morrison, 1991) as displayed in Table 1. According to this view, global marketing strategy is considered as exploit the synergies that exist across different country markets as well as the comparative advantages associated with various host countries. Thus, to be effective in global competition, a firm must configure its value-chain activities optimally and coordinate them in different markets (Craig and Douglas, 2000; Porter, 1991; Roth, 1992). Zou and Cavusgil (2002) consider product development and engineering activities can be concentrated in a limited number of countries where world-class engineering skills exist, whereas labor-intensive manufacturing can be concentrated in countries where low-cost labor is abundant.

The third perspective of GMS is based on integration as shown in Table 1. According to this vision, the key for the success of a firm with a global scope is gaining competitive strength by integrating its activities. This was proposed by Birkinshaw, Morrison and Hulland (1995), Yip (1995); Zou and Cavusgil (1996). In a global industry, operations in different countries are interdependent. Thus the firm should be able to subsidy the operation in one country with resources obtained in other countries. And it should also be able of responding to some threats in one market, with actions in others. Thus, according to this view, it is this integrated vision that defines the essence of GMS. A firm as IBM, for instance, has an integrated vision of its business. In a research conducted with CEOs of IBM, current and prospect clients were searched on a global basis.

Zou and Cavusgil (2002, p. 43) propose a combination of these three perspectives in a single model to measure a global marketing strategy of a firm (see Figure 1).

From Figure 1 it is possible to understand that global marketing strategy involves decisions concerning Marketing Program Standardization (MPS), which refers to firm's mix of standardization policies. Marketing activities can be concentrated in few countries or be spread out through different locations in a coordinated manner. Market participation can be measured locally or considering a world as a larger market, in which case the global participation is measured. A good example of this global participation approach is the case of Walmart that, in Brazil, and in order to increase profits, pursued some resignations and hire a new Purchasing Director with international experience.

Each one of the global marketing strategy concept was defined by Zou and Cavusgil (2002), as Table 2 shows.

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Figure 1 – Single vision of the Global Marketing Strategy (GMS)

Source: Adapted from Zou and Cavusgil (2002, p. 43).

The GMS Dimension	Definition
Product standardization	The degree to which a product is standardized across country markets.
Promotion standardization	The degree to which the same promotional mix is executed across country markets.
Standardized channel structure	The degree to which the firm uses the same channel structure across country markets.
Standardized price	The degree to which the firm uses the same price across country markets.
Concentration of marketing activities	The extent to which a firm's marketing activities, including development of promotional campaign, pricing decision, distribution activities, and after-sale services, are deliberately performed in a single or a few country locations.
Coordination of marketing activities	The extent to which a firm's marketing activities in different country locations, including development of promotional campaign, pricing decision, distribution activities, and aftersale services, are planned and executed interdependently on a global scale.
Global market participation	The extent to which a firm pursues marketing operations in all major markets in the world.
Integration of competitive moves	The extent to which a firm's competitive marketing moves in different countries are interdependent.

Table 2 – Antecedents and Consequences of GMS

Source: Zou and Cavusgil(2002, p. 43).

From Table 2 we understand that to measure global marketing strategy (GMS) we must consider a series of decisions on the headquarters that include product, promotion, placement and price standardization. Also marketing activities concentration and coordination

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have to be planned at that level, which would allow measuring market participation and inferring about competitive actions. Other decisions involve global thinking derived from activities throughout the world and their subsequent integration.

These authors propose a structural model that relates GMS antecedents with firms' results in terms of strategic and financial performance. The model endeavors to demonstrate that, considering the antecedents – a firm's international experience and global strategy, as well as factors related to the macro-environment – GMS has a significant positive effect on strategic global performance, thus causing an increase in efficiency and in subsidiaries' interaction. This has a positive impact on global financial performance.

Based on the above, we may say that in the search for the best performance, GMS should be defined on the basis of firms' international experience and internal strategic decisions, and the macro-environment they are facing. Thus, it is important to understand which decisions a firm should take to support its global performance.

2.2 Marketing Program Standardization

Marketing Program Standardization (MPS) is defined as similar marketing programs across different countries or regions with regard to product offering, promotional mix, and price and distribution structure (Jain, 1989; Levitt, 1983; Szymanski, Bharadwaj, & Varadarajan, 1993).

We understand some marketing decisions to be more globally-oriented, and others to be more locally-response driven. Product is the marketing variable that will benefit most from a global approach, considering that there are economies of scale in terms of manufacturing, labeling, packaging and so on. However it is not completely standardizable, since, for instance, labels and packages must accommodate linguistic differences. There are other sources of possible differences, for instance size, units of measurement, the length of the channel structure, physical conditions related to the market, cultural habits and so on.

According to Özsoy, Bodur, & Cavusgil (1991), the level of standardization is highest for marketing mix elements related to product such as product characteristics, brand name, and product positioning. The highest level of differentiation is found in the type of middlemen subsidiaries used to distribute their products and in retail prices.

The product standardization seems to be a function of two main factors. First, customer values curve: the more similar are customer needs across the world, the more the

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product can be standardized. Second, the minimum economic size of product: the higher the volume required, the more standardization to be used (Lasserre, 2003). So, it depends on the industry. For example, in a study with different industries, Ozsomer, Bodur, & Cavusgil (1991) concluded that pharmaceuticals and chemicals have the most highly standardized product, followed by consumer nondurables. The lowest level of standardization was found in electronics and motor vehicle parts and components. These products require more frequent adaptations to local conditions like voltage, channel, road and traffic conditions.

In relation to branding, there is room for local, regional and global brands to co-exist in an attempt to offer a holistic view of the role of this variable in marketing (Rocha & Silva, 2011). A global brand, usually is related with global products, and reflects that the product is marketed across the world under the same name (Lasserre, 2003).

On the other hand, the level of standardization is lower for marketing mix elements related to sales and distribution. There are many reasons for that: language, social codes in supplier/buyer relationships, negotiation cultures, special dispersion of customers, local regulations and existing distribution structures (Lasserre, 2003).

Considering the conditions under which MNCs standardize their marketing activities, Ozsomer and Simonin (2004) showed that MNC pursue higher levels of standardization when market conditions are similar among host and parent countries. These conditions include customer similarity and market infrastructure similarity.

We can say that standardization of marketing programs is viewed as a continuum with complete standardization and complete localization in the two extremes (Cavusgil & Zou, 1994). Some studies have cautioned that subsidiaries frequently adopt programs that are either too standardized or too localized (Birkinshaw, Morrison, and Hulland, 1995; Douglas and Wind, 1987; Yip, 1995) depending on the subsidiary autonomy.

We understand that a number of variables would have to be considered to find out which doses of standardization and adaptation to use for each marketing-mix variable.

2.3 Autonomy in subsidiaries of MNC

The concept of autonomy is one of the most discussed in research on the evolution and the strategic roles of the subsidiaries (Birkinshaw, Morrison, & Hulland, 1995; Taggart, 1997; Gupta & Govindarajan, 1994). Young and Tavares (2004) defined autonomy as a restricted freedom, available or acquired by the subsidiary which allows it to make certain decisions

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according to their interests. This freedom is given by the headquarters, who decides the level of autonomy of the subsidiary in each decision area.

Birkinshaw & Nobel (1998) consider that autonomy is normally divided into two types: administrative and operations. Administrative autonomy is associated with the ability to hire executives, approve budgets, and procurement. Operations autonomy is associated with market activities such as market research, production, marketing and sales. According to Couto *et al.* (2005), multinationals look for autonomy in marketing decisions of their subsidiaries. They consider that products and services should be adapted to local needs and that subsidiaries are in the best position to get that knowledge.

Yip (1995) analyzes autonomy centralization or decentralization and considers this to be a very important feature of multinational management. If headquarters attempt to control their investments abroad in order to get strategic fits, subsidiaries attempt to become more competitive locally through greater observance of the local market, even though this could turn into a threat for global initiatives.

On the basis of the above, we may consider that greater autonomy is more prone to standardization actions, whereas less autonomy is more prone to standardization measures. So the challenge is to know whether it is better to promote more or less autonomy in subsidiaries. Is there an optimal degree of autonomy that produces the best results? If so, how to determine it? We will try to respond this question by analyzing autonomy in operations, more specifically related to operations in marketing-mix management.

3 PROPOSITIONS

The autonomy factor reflects how much decisions are centralized in the headquarters and how much the subsidiaries can have initiatives and create new programs, processes or products (Ghoshal and Bartlett, 1988). Subsidiaries with a low level of local autonomy cannot create or diffuse innovation, but tend to be more effective in the adoption of new products and processes created by the headquarters. It seems to be the case of Matsushida that gives subsidiaries a low level of autonomy (Ghoshal and Bartlett, 1988). On the other hand, multinationals that give subsidiaries greater autonomy, such as Unilever, ITT and Philips, can create and diffuse more innovation, but, at the same time, are more resistant to create these at

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the headquarters. Ghoshal and Bartlett (1988) found a positive and highly significant correlation between local autonomy and creation of innovations.

Consequently, it is expected that subsidiaries with more autonomy tend to develop more innovations than the centralized ones. Therefore, the strategic model delegated to subsidiaries is of the utmost importance to understand their participation in the development of products for the multinational corporation.

3.1 Marketing Program Standardization

In this research, we define centralization as the degree to which the headquarters retains marketing-related decision-making authority. When centralization is low, the extent of participation of subsidiary members in marketing decision making is greater than when centralization is high. Greater centralization produces uniformity of policy and action, lessens risk of errors by subsidiary personnel who may lack either specialized information or skills, and enables closer control of subsidiary operations (Ozsomer & Simonin, 2004). Marketing program standardization has been linked with centralization of marketing decisions to for a long time (Doz, 1980; Jain, 1989), because the implementation of a standardized strategy needs strong control and coordination between headquarters and subsidiaries.

MNCs that implement standardized marketing programs want to protect and defend their product formulations, brand names, packaging, pricing, and other marketing mix elements by tightly centralizing decision making to control the positioning in the local market (Ozsomer & Simonin, 2004).

It's possible to separate product decisions from non-product decisions. Aylmer (1970) found that while local managers were responsible for 86% of advertising decisions, 74% of the pricing decisions, and 61% of the channel decisions, product-related decisions were made primarily at the headquarters. Ozsomer & Simonin (2004) separate product decisions from non-product decisions to identify different processes at work level of marketing standardization in food and drink products. They claim that centralization of product decision has a positive effect in local performance. On the basis of this, we offer the following proposition:

P1: a higher level of centralization in product decisions (variables such as product, communication and local branding) would lead to higher degrees of local performance.

Non-product decisions, or decisions regarding pricing, sales force, and distribution are decisions that need to be updated more frequently. Additionally headquarters managers may not fully understand differences and complexities in subsidiary markets (Pralahad & Doz, 1981), particularly in the case of non-product decisions, which involve local collaborators and need more decentralization.

Pricing decisions need updating in response to local competitor. Sales force management decisions reflect local labor, and human resource management practices. Sales promotion decisions require collaboration with local retailers and distributors.

Thus, when head office managers get involved in non-product decisions, a negative impact on performance can be expected (Ozsomer & Simonin 2004). Increased non-product centralization can also lead to a decline in strategic awareness and understanding in the subsidiary where strategies are implemented.

Thus, we propose the next proposition:

P2: a higher level of centralization in non-product decisions (variables such as price, placement) would lead to higher degrees of local performance.

4 METHODOLOGY

We attempted to uncover the situations in which adaptation and standardization strategic options were advisable in relation to marketing decisions taken by subsidiaries. To analyze this, several variables at play simultaneously were considered.

To encapsulate a phenomenon in which a contextualization is necessary, we use a qualitative approach. This is mainly due to the diversity of variables at play and their importance in the results achieved by the organization under analysis. So, we decided to follow a case-study approach.

We also followed Eisenhardt (1989) in the idea that overlapped data fosters the analysis of the case and stresses possible adjustments on data collection. Thus, we proceeded accordingly and analyzed other data sources aside from interviews, as proposed by Yin (2005) which assumes that a result may have different proveniences since there is information convergence. Thus, several sources of information were used (annual financial reports, press releases, news, interviews and the authors' observations of the facts) in order to enrich the

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study and guarantee the quality of the conclusions. Semi-structured interviews were conducted with the president of the Brazilian subsidiary and the director of Marketing and Communication in Brazil. Other data was also collected from firm's reports, archives and news published in newspapers and magazines.

We chose the case of an US multinational firm acting in Brazil in the food sector for more than 40 years, considering that a deep analysis would then be possible in a firm where the complex questions under analysis constitute a reality and can be considered as representative of similar MNCs.

Alpha (a pseudonym, as requested by the firm), an American firm, is very active in terms of marketing and retains a strong brand name in the sector, in which it is leader. Since its birth more than 100 years ago, the firm has gained reputation throughout many countries in which is it active.

Alpha is among the best 40 brands in the world, according to Interbrand's Best Global Brands 2010 ranking. Its global net sales in 2009 were above US\$12 billion, and it employs more than 30,000 people all around the world. Its global net income was US\$1.2 billion in 2009.

Alpha in Brazil is a subsidiary that reports to Latin American Regional. It is a self-governing strategic unit responsible for its own success. We believe that Alpha in Brazil is a good example of how a subsidiary manages the autonomy given to it in order to produce the best results in terms of marketing efficiency and performance.

Thus constructs concerning product, price, placement, communication and branding decisions were analyzed for a better understanding of how a subsidiary were able to achieve good performances using marketing-mix variables.

5 ANALYSIS AND RESULTS

Alpha's brands are very important for the firm's success. Therefore brand management is usually defined by the headquarters. The headquarters determine if a brand should be seen as local, regional or global. Depending on its classification, different autonomy levels are assigned. This has been valid for all subsidiaries for the past two years.

However, there is another issue to consider in the definition of the autonomy level: the weight of the subsidiary business within the overall business. Mexico, for instance, is the third largest subsidiary in the world, and controls the marketing activities for all Latin America. Regarding resource allocation the same criteria apply.

In Table 3, we have a summary of the major decisions this subsidiary takes concerning the five constructs identified in relation to two dimensions: adaptation and standardization.

	Adaptation		Standardization
Brands	Local brands: locally developed brands, developed to better serve the Brazilian market.	Regional brands: brands developed and controlled in Mexico to better capture Latin American characteristics	Global brands: brands developed by the headquarters with a global positioning, which is also globally communicated. These are the majority of the brands. Changes may occur in the packaging and labeling.
Products	Local products developed in line with local preferences and needs; we should bear in mind that the demand of this type of products in Brazil is very different from the pattern in the US	Regional products: ideas may be suggested in Brazil, but the Mexican division is always the ultimate decider; small adaptations may occur in the packaging	Global products: developed at HQ to be used all around the world (with very small and obligatory changes); there is no autonomy on subsidiaries' side to produce changes
Price	Prices of local products are locally defined	For global and regional products, the firm uses the same price range in the different markets for the same products	
Communication	Local products demand local communication; however, this just happens occasionally	Communication is developed and approved in Mexico	Global marketing communication is used for global brands. Alpha uses global agencies to take care of global campaigns. All subsidiaries receive an identical "communication package"
Placement	This is the policy that displays higher local responsiveness. Marketing is more oriented towards the final consumer, and it is therefore necessary to study local marketing channels in order to adapt to local habits and needs.	There are a few global accounts such as Walmart and Carrefour that receive a more centralized approach.	

Table 3: Analysis of the Brazilian subsidiary marketing-mix

Therefore, the situation of Alpha regarding marketing policies is as shown in Figure 2.

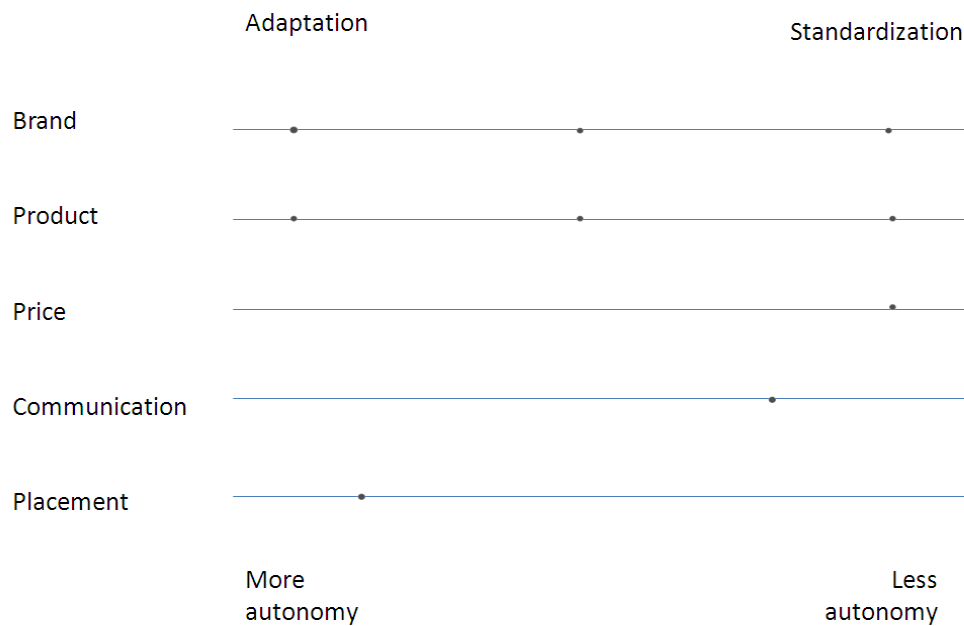


Figure 2: Marketing policies and autonomy

On the basis of Figure 2, we may then say that there seems to be an optimal level of autonomy that allows the subsidiary the most efficient results. Limits are defined on the basis of standardization and adaptation levels used to define brand, products, price, communication and placement. In order to know the degrees of standardization and adaptation, analysis of the GMS is appropriate. So, GSM seems to constitute a good framework for the understanding of the adaptation vs. standardization dilemma.

6 CONCLUSION

The development and implementation of a global marketing strategy have always been surrounded by some degree of ambiguity regarding its underlying determinants and consequences. Our propositions may have teased out some of the underlying effects that were partly responsible for the presence of the inconsistent empirical findings reported by Shoham (1995) by explicitly accounting for both – the positive direct effects of standardization on performance and its negative indirect effect through the centralization of non-product decision making. That is, standardization, often the main driver of a globalization strategy, can enhance performance directly and, also indirectly; and it can carry the seeds of lower performance through the centralization of non-product decision making.

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The problem of non-product centralization can be also traced to both – a struggle for power and control between the head office and subsidiaries, and to communication inefficiencies between them. Extensive information flows from subsidiaries to the head office may negatively affect managers' time and objectivity at the head office. As a result, these managers are more likely to overlook opportunities in the subsidiary market. While the presence and logic of these dynamics are well known, much remains to be uncovered with respect to their actual root causes and evolution in the life of a subsidiary.

This study analyzes the ability of a firm to innovate in marketing in subsidiaries. It highlights the importance of GMS in the ability to innovate in subsidiaries. This is important for managers of subsidiaries who need to understand that global marketing policies are important to the solid reputation on the basis of which a global brand may be built. But it is also important for managers at headquarters to verify in which circumstances autonomy pays off due to its ability to better serve consumers' needs and wants. Thus we understand that this case study can be representative of the reality experienced by multinational firms in an emerging economy such as Brazil, which is growing fast. Compared with 2009, Brazil's GDP has experienced an almost 10% growth in 2010. A population of more than 192 million makes Brazil a very appealing country for brands. Thus, better knowledge of this market may foster the opportunity to produce benefits for all, satisfying a more sophisticated demand and repaying the investment of an attentive and energetic supply.

The trade-off between adaptation and standardization in marketing is a function of a broader corporate strategy in which the firm has to decide on several variables. Some of those variables are highly influenced by headquarters; others are influenced by subsidiaries' attempts to better capture and cope with local idiosyncrasies.

This study attempted to uncover the factors that should lead decision-making. It is a single-case study, and therefore has all the drawbacks that imply, namely a reduced capacity of replication. However, it represents an attempt to explore the chosen case in depth.

In terms of future research, we therefore acknowledge the need to build up constructs that would be more amenable to development in a quantitative study; and where one can measure the impact of decisions on GMS over the ability of subsidiaries to innovate in marketing and to succeed. It is also advisable to observe the influence of macro-environmental variables, along with clients' characteristics, marketing infrastructures and industry competition in order

to verify their influence on marketing policies. Autonomy should be dealt with very carefully: if control is too loose, this may negatively impact on brand goodwill and strategic performance, but if too tight, it could impose patters that do not correspond to local realities.

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Submissão: 22/11/2011

Aceitação: 17/01/2012

ADAPTAÇÃO vs. PADRONIZAÇÃO: ANÁLISE DO CASO DE UMA EMPRESA AMERICANA NO BRASIL

Este artigo analisa o dilema da adaptação versus padronização em marketing internacional em subsidiárias de empresas multinacionais. Isto evidencia a importância da Estratégia de Marketing Global (EMS) para o processo de inovação das firmas localizadas em economias emergentes como o Brasil. Desta forma, o objetivo desse trabalho consiste em verificar como o nível de autonomia concedido às subsidiárias estrangeiras influenciam no dilema da adaptação versus padronização e, conseqüentemente, na gestão do composto de marketing. Para tanto, a metodologia de pesquisa adotada caracteriza-se como qualitativa, através do uso de estudo de caso único, em uma empresa do setor de alimentos. Observa-se que, no caso, a marca da firma constitui-se em um importante atributo, definida em dois níveis: (i) subsidiária e (ii) matriz. Além disso, nota-se que a política da marca influencia diretamente na autonomia para inovação no âmbito das subsidiárias. Assim, conclui-se que este estudo mostra-se relevante para a compreensão do processo de adaptação local e padronização global no processo de marketing internacional.

Palavras-chave: Marketing internacional. Subsidiárias. Estratégias de marketing.

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