



## **A COMPARATIVE ANALYSIS OF STANDARDIZATION AND ADAPTATION OF INTERNATIONAL MARKETING MIX**

**Mariia Kolachko<sup>1</sup>, Olena Voronova<sup>2</sup>**

<sup>1</sup>*Student, Odesa National Economic University, Odesa, Ukraine*

<sup>2</sup>*Associate Professor, Odesa National Economic University, Odesa, Ukraine*

### **Abstract**

This article presents a comparative analysis of standardization and adaptation in the international marketing mix, focusing on the ongoing debate regarding the two strategies in the context of global market operations. The relevance of this topic arises from the increasing complexity faced by multinational enterprises when managing marketing efforts across diverse cultural, economic, and regulatory environments. This work aims to assess the relative advantages and disadvantages of both approaches and identify the factors that influence the decision to adopt either strategy. The research methodology involves methods of analysis, and comparison alongside case studies of multinational corporations to illustrate the application of standardization and adaptation strategies.

The benefits and drawbacks of standardisation and adaptation are analysed. The results indicate that while standardization provides cost efficiencies and enhances global brand consistency, adaptation enables firms to respond effectively to local market conditions. A hybrid strategy, which blends the strengths of both approaches, emerges as a practical solution for many global firms. The reasons and factors for implementing a particular approach are considered. The practical significance of the study is to provide recommendations for multinational enterprises on how to choose between or integrate these strategies to enhance competitiveness, brand strength, and market responsiveness in international markets.

### **Keywords**

international marketing mix, standardization, adaptation, hybrid strategy.

### **Problem statement**

In the context of globalization, multinational corporations are constantly challenged to develop and implement effective marketing strategies across various markets. A key strategic decision is whether to standardize marketing efforts across all countries or adapt them to meet local preferences, cultural differences, and market conditions. This challenge is compounded by the rapid changes in global markets, including digitalization, cultural shifts, and economic fluctuations. While standardization offers cost savings, brand consistency, and operational efficiency, adaptation can better address the unique cultural, economic, and regulatory aspects of each market, thus improving local responsiveness and consumer engagement. The primary problem is determining which strategy – standardization, adaptation, or a combination of both leads to better performance in international markets.

Furthermore, the balancing these two approaches is critical in achieving long-term success and maintaining competitiveness in global markets. The question remains: which approach yields better performance, and under what conditions should one or the other be applied?

### **Relevance of the chosen topic**

The topic of standardization versus adaptation in international marketing is highly relevant in today's globalized economy, where firms operate in multiple markets that often have significant cultural, economic, and political differences. The ability to successfully navigate these differences is critical for achieving sustainable growth in international markets. Moreover, the rise of digital technologies and the increasing integration of global markets have further intensified the need for firms to carefully consider their international marketing strategies. Firms that can strike an optimal balance between standardization and adaptation are better positioned to leverage global efficiencies while remaining responsive to local market needs, thus gaining a competitive advantage.

### **Analysis of recent research and publications**

The question of whether to standardize or adapt the marketing mix has been extensively studied in recent literature. According to Tetiana Shtal, Iryna Astakhova and Viktoria Kozub (Shtal et al., 2019), standardization allows companies to streamline their operations globally, focusing on uniformity to achieve cost efficiencies and maintain a cohesive brand identity across diverse markets.

Olena Krasovska (Krasovska, 2021) argues that adaptation is essential in emerging markets, where cultural norms and consumer behaviour can vary dramatically from those in developed markets. Her study emphasizes that firms that adapt their marketing strategies to fit local tastes and preferences are more likely to succeed in these markets, especially when dealing with product offerings and promotional strategies that resonate with local consumers.

Sevda Zengin and Cemal Yükselen (Zengin & Yükselen, 2023) suggest that firms that adopt agile marketing practices can integrate both strategies effectively, enhancing innovation and responsiveness to local market changes while still benefiting from the efficiencies of standardization. Recent research by Felix John Eze, Inyang Bassey Inyang and Edim Eka James (Eze et al., 2024) provides a comprehensive review of the standardization-adaptation debate, concluding that the most successful international marketing strategies often integrate elements of both approaches.

Nanik Hariyana and Hendra Syahputra (Hariyana & Syahputra, 2022) contribute to this discussion with case studies that illustrate the practical application of standardization and adaptation in different industries. Their findings support the idea that industries with high levels of technological development, such as consumer electronics, are more conducive to standardization, while those with significant cultural variability, such as food and beverages, may benefit more from adaptation strategies.

### **Purpose of the article**

The purpose of this article is to analyze the advantages and limitations of standardization and adaptation in the context of international marketing and to identify the key factors that influence a firm's decision to adopt one strategy over the other. Specifically, the objectives of this study are to:

- identify key factors that influence the decision to standardize or adapt;
- examine the advantages and disadvantages of standardization and adaptation in international marketing;
- analyze the circumstances under which each strategy is most effective;
- explore the hybrid approach, which combines both standardization and adaptation;
- formulate practical recommendations for businesses on how to implement these strategies effectively.

## Presentation of the main research material and results obtained

In order to enter international markets, various tools, methods and approaches are used that form the international marketing mix. It consists of four interconnected company policies, known as the 4Ps: product, price, place, and promotion. The product policy defines key aspects of goods such as nomenclature, assortment, quality, trademarks, design, packaging, guarantees, and after-sales service. The pricing policy focuses on setting prices that are acceptable to both the seller and the consumer, as well as developing strategies for price adjustments. The distribution policy involves selecting distribution channels and sales methods to ensure the product reaches consumers efficiently. The promotion policy is aimed at advancing the product in foreign markets through various marketing communications, including advertising, personal selling, sales promotion, and public relations (Melnik & Lahotska, 2011).

Thus, international marketing mix is a set of decisions on product, price, sales channels and promotion, the purpose of which is to create competitive advantages for the company in a particular foreign market or target segment (Melnik & Lahotska, 2011).

To meet market demands, companies must develop competitive strategies for international marketing mix that are carefully aligned with both internal and external factors. These strategies should harmonize the organization's core functions such as marketing, sales, operations, customer service, finance, and human resource management – with various external market influences. These external factors include competition, globalization, technological advancements, cultural shifts, and changes in consumer demographics and behaviour. Depending on these internal capabilities and external conditions, companies can adopt one of two strategic approaches: standardization or adaptation. (Albrecht, 2023, p. 260).

The choice between standardization and adaptation involves strategic decisions across all components of the marketing mix: (Sramkowski, 2021)

- Product. When choosing between standardization and adaptation, it is essential to consider whether the company offers goods or services. In the case of goods, standardization may be feasible, especially for products with global appeal. However, for services, the need for adaptation is often higher, as the nature of the service can vary based on local consumer involvement.
- Price. Pricing strategies are influenced by both internal and external factors. Internally, the location of production and market entry modes (exporting, licensing, or franchising) impact costs. Externally, local government regulations, taxes, tariffs, and the overall macroeconomic environment (inflation, currency fluctuations) must be considered when determining pricing.
- Place. Distribution decisions are affected by the geographic and infrastructural characteristics of the target market. Firms must assess the availability and efficiency of transportation networks and consider the stage of economic development in the target market to ensure optimal product delivery and long-term profitability.
- Promotion. Promotional strategies often require significant adaptation, particularly when entering new markets with different cultural, linguistic, and media landscapes. It is essential to understand the target market's value system, language, and preferred media channels. In some cases, working with local experts can be instrumental in navigating promotional challenges and ensuring effective communication with the target audience.

Let us analyze various strategies for the marketing mix, the reasons for their implementation and their advantages and disadvantages (Table 1).

Standardization refers to the practice of applying a uniform marketing strategy across all international markets. This approach assumes that consumer needs, preferences, and behaviour are generally similar across various regions, allowing companies to use the same product, advertising, pricing, and distribution strategies globally. Standardization is often employed by companies new to exporting or those seeking to maximize cost efficiencies through economies of scale (Eze et al., 2024, p. 1194).

Several factors support the adoption of standardization: (Sramkowski, 2021)

- Globalization of the market. Companies offering products with global demand can effectively market the same product across different countries, addressing the needs of a broad consumer base.
- Economies of scale. By mass-producing standardized products, firms can lower per-unit production costs, benefiting from increased volume and scale.
- Transferable Competitive Advantages. Standardization fosters competitive advantages such as cost reductions, faster market response times, consistent global branding, and enhanced control over marketing strategies.

Let us consider the advantages of standardisation:

- Cost efficiency. One of the major advantages of the standardization approach is the ability to reduce costs through economies of scale. By producing the same product for multiple markets, firms can reduce production, distribution, and marketing costs (Eze et al., 2024, p. 1200). This is especially true in industries where product differentiation is minimal, such as consumer electronics or pharmaceuticals. Global brands like Apple and Samsung implement standardized product offerings, producing the same smartphones globally to maintain consistency in quality and brand image while minimizing manufacturing and operational costs.
- Brand consistency. Consistency in product features, packaging, and marketing messages strengthens brand identity and customer loyalty, which is crucial for companies with a strong global presence. For instance, Coca-Cola applies a highly standardized approach to its core product, ensuring that the brand remains recognizable and consistent worldwide (Albrecht, 2023, p. 260). Its iconic red-and-white packaging, branding, and global campaigns like “Taste the Feeling” convey a unified message, creating a strong global identity.
- Simplicity in marketing operations. Standardization simplifies marketing operations, making it easier to manage campaigns across multiple regions. Companies can focus on executing a singular, cohesive marketing strategy, which reduces the complexity and resources required for developing multiple localized campaigns (Eze et al., 2024, p. 1200). This is particularly advantageous for large global corporations that operate in numerous markets, as it allows for more streamlined coordination between headquarters and regional offices.

Table 1: Comparative analysis of strategies for the international marketing mix

Strategy	Reasons for implementation	Advantages	Disadvantages
Standardization	<ul style="list-style-type: none"> <li>• Similar consumer preferences across markets</li> <li>• Economies of scale desired</li> <li>• Global brand consistency prioritized</li> </ul>	<ul style="list-style-type: none"> <li>• Cost-efficient due to economies of scale</li> <li>• Strong, consistent global brand identity</li> <li>• Simplicity in marketing operations</li> </ul>	<ul style="list-style-type: none"> <li>• Low cultural sensitivity, may not resonate with local consumers</li> <li>• Risk of regulatory non-compliance</li> <li>• Limited flexibility</li> </ul>
Adaptation	<ul style="list-style-type: none"> <li>• High cultural, economic, and regulatory differences between markets</li> <li>• Local consumer preferences vary greatly</li> </ul>	<ul style="list-style-type: none"> <li>• High cultural relevance and consumer satisfaction</li> <li>• Greater market penetration</li> <li>• Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• High costs of customization</li> <li>• Complex management of multiple strategies</li> <li>• Risk of brand fragmentation</li> </ul>
Hybrid (Standardization + Adaptation)	<ul style="list-style-type: none"> <li>• Core product and brand consistency are important, but local adjustments are necessary</li> <li>• Varying competition and market conditions across regions</li> </ul>	<ul style="list-style-type: none"> <li>• Combines cost savings with local relevance</li> <li>• Balanced global brand identity with cultural adaptation</li> <li>• Faster responsiveness to market changes</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate complexity in implementation</li> <li>• More costly than pure standardization</li> <li>• Difficult to balance consistency with flexibility</li> </ul>

*Source: compiled by the author*

Despite its advantages, standardization may not always be suitable, particularly in markets with distinct cultural or regulatory environments. The primary challenge is that it often fails to address the specific needs, preferences, and cultural differences of local markets (Hariyana & Syahputra, 2022). For instance, consumer preferences in Asian markets can differ significantly from those in European or North American markets, and ignoring these differences can lead to a disconnect between the brand and its consumers. Additionally, strict adherence to standardization may overlook local regulations, which could result in legal challenges or the need for product modification.

Adaptation involves adjusting a company's efforts, products, or services to meet the specific needs,

preferences, or expectations of various consumer groups. This strategy generally follows two key steps. First, the necessary changes are identified to enhance the appeal of an offering to a target audience. Second, the modifications are implemented based on the organization's resources and capabilities. Both steps are essential for evaluating the strategy's feasibility (Albrecht, 2023, p. 261).

The key factors that favour adaptation include: (Sramkowski, 2021)

- Differences in consumer preferences. Variation in consumer tastes and preferences across regions necessitates a flexible marketing approach.
- Local competitive conditions. Differing market dynamics and levels of competition require customized strategies.
- Legal and regulatory variations. Differences in local laws and regulations, such as advertising restrictions or product specifications, often necessitate adaptation.
- Service intensity. Companies offering highly service-oriented products may need to adapt their offerings to meet the level of service expected in specific markets.

Let's consider the key benefits of the adaptation strategy:

- High cultural relevance. Companies that adapt their product offerings, pricing strategies, and promotional messages to meet cultural values and local tastes tend to perform better in diverse markets (Yap & Yazdanifard, 2014). A prime example is Nestlé, which adjusts its food and beverage offerings based on local tastes and preferences. In Japan, Nestlé introduced more than 300 different flavours of Kit Kat, including Green Tea (Matcha), Wasabi, and Sake, to align with Japanese tastes and culinary preferences.
- Greater market penetration and customer satisfaction. Adaptation allows companies to tailor their marketing strategies to better align with consumer preferences, increasing market penetration and customer satisfaction (Yap & Yazdanifard, 2014). For instance, Procter & Gamble tailors its product offerings and marketing strategies based on local market conditions. In China, P&G adjusts the scent, packaging, and pricing of its laundry detergent brands like Ariel to cater to local washing habits and preferences. Similarly, in Latin America, the company offers products in smaller package sizes to cater to consumers with lower purchasing power.
- Regulatory compliance. Adaptation is also crucial for ensuring compliance with local laws and regulations. This is particularly important in industries such as pharmaceuticals, food and beverage, and consumer goods, where product standards, labelling, and safety regulations vary from country to country (Zengin & Yükselen, 2023). For example, Unilever adapts the formulation of its personal care products like Dove to meet the specific regulatory requirements for ingredients and safety in different markets.

Nevertheless, while adaptation offers greater flexibility, it comes with increased cost and complexity. Customizing products, marketing campaigns, and distribution channels for each market requires additional resources and coordination (Eze et al., 2024). Moreover, a highly adapted marketing strategy can fragment a company's brand identity, making it harder to maintain a cohesive global image.

Recent studies propose that the most effective approach may be a hybrid model (glocalization) that blends standardization with adaptation. While certain elements of the product and marketing mix are standardized, other elements are adapted to meet local market needs. Companies often standardize core product features, branding, and messaging while adapting marketing communication, distribution, or pricing strategies to better suit the local environment. (Eze et al., 2024, p. 1206).

The hybrid strategy is considered to provide the following benefits:

- Combination of cost efficiency and local relevance. By standardizing core elements like product design, branding, or certain aspects of the marketing mix, companies can still benefit from economies of scale, reducing production and marketing costs across multiple regions. At the same time, they can adapt elements such as promotional content, packaging, or customer service to local market needs. Companies employing a hybrid strategy can have cost savings in product development and manufacturing while simultaneously enhancing customer satisfaction by making necessary local adaptations (Zengin & Yükselen, 2023).
- Global brand consistency with cultural adaptation. A hybrid approach allows companies to maintain a strong and consistent global brand identity while customizing certain aspects of their marketing for specific regions. This ensures that the company's global vision and messaging remain intact, which is essential for maintaining brand recognition and loyalty across markets. At the same time, local adaptations ensure the brand resonates culturally and linguistically with local consumers. This dual focus can strengthen the company's position in both global and local markets by creating a harmonious balance between a unified brand image and locally relevant marketing (Yap & Yazdanifard, 2014).

— Faster responsiveness to market changes. The flexibility inherent in the hybrid strategy allows companies to respond quickly to market changes, whether they be competitive pressures, consumer trends, or regulatory shifts. For example, companies can quickly adjust their local marketing campaigns or product features without overhauling their entire global strategy. Hybrid strategies benefit from agile marketing, which is essential in today's fast-paced and unpredictable global market environment (Zengin & Yükselen, 2023).

On the other hand, the hybrid approach has also its challenges. Companies must navigate the complexity of managing both global and local demands simultaneously. This requires close coordination between central and local teams, which can increase managerial complexity and operational costs. Successful implementation of a hybrid strategy also depends on a company's ability to conduct thorough market research and continuously analyze customer data to ensure effective localization (Eze et al., 2024).

One of the best-known examples of the hybrid strategy in practice is McDonald's. Globally, McDonald's maintains a standardized brand identity with recognizable elements such as the golden arches, its slogan, and core menu items like the Big Mac. However, the company adapts its menu offerings to cater to local tastes and dietary restrictions. Beyond modifying its menu (product), McDonald's also adapts its advertising (promotion) and services to meet local expectations regarding pricing and distribution (price and place), all while maintaining a consistent customer experience worldwide (Albrecht, 2023, p. 261).

Selecting the appropriate international marketing strategy – standardization, adaptation, or hybrid requires a thorough analysis of several critical factors.

1. First, it is essential to evaluate market characteristics, particularly the cultural, social, and economic differences among target markets.
2. Next, businesses should consider the nature of their products. A comprehensive examination of competitors' strategies is also crucial.
3. Regulatory and legal considerations must not be overlooked. Investigating local regulations that may require product modifications ensures compliance with legal requirements when determining the most suitable strategy.
4. An assessment of available financial and organizational resources is necessary, as adaptation strategies can be resource-intensive, whereas standardization may offer cost advantages.
5. Pilot testing in selected markets allows businesses to gather valuable data on consumer responses and market dynamics, providing insights that can inform and refine the chosen strategy.
6. Lastly, aligning the selected strategy with the overall brand identity and long-term vision is imperative.

Businesses can make informed decisions on their international marketing strategy by systematically considering a range of critical factors. This approach enables a balance between global efficiency and local responsiveness, ultimately optimizing success in international markets.

## **Conclusions**

The comparative analysis of standardization and adaptation in international marketing strategy highlights the strengths and weaknesses of each approach. Standardization offers cost efficiencies, brand consistency, and simplified management, making it an attractive option for companies seeking to expand globally. However, it may not be effective in all markets, particularly those with significant cultural or regulatory differences. Adaptation, while more resource-intensive, allows companies to tailor their strategies to meet local market needs, resulting in greater consumer engagement and satisfaction. Both strategies have advantages and challenges, and the decision ultimately hinges on the specific market conditions, consumer preferences, and the firm's overall objectives. Strategic flexibility across the Marketing Mix is critical in navigating the balance between global efficiency and local responsiveness.

The findings suggest that the optimal approach often lies in a hybrid strategy that combines elements of both standardization and adaptation. Companies should consider product type, market maturity, cultural factors, and legal requirements when determining the appropriate balance between these two strategies. Further research is needed to explore the impact of digital technologies, such as data analytics and artificial intelligence, on the standardization vs. adaptation debate, as these tools can enable more efficient and targeted customization of marketing efforts across markets. Prospective studies could also focus on industry-specific analyses to better understand how different sectors benefit from these strategies, as well as longitudinal studies to track how companies evolve their strategies over time in response to changing market conditions.

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