

**MASTER  
MARKETING**

**MASTER'S FINAL WORK**

**DISSERTATION**

INFLUENCE OF STANDARDIZATION AND ADAPTATION  
STRATEGY FOR MULTINATIONAL CORPORATIONS ON  
PERFORMANCE

MEINA SUN

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**SUPERVISION:**

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## Resumo

Com a intensificação da competição internacional e o desenvolvimento de novos mercados, empresas de diferentes escalas e indústrias estão se expandindo no exterior a uma taxa sem precedentes. Muitas empresas multinacionais apareceram. Antes de entrar nos países anfitriões, é necessário levar em consideração todos os fatores que podem afetar seu desempenho comercial. Portanto, a escolha do modo de entrada de marketing internacional torna-se particularmente importante para as empresas multinacionais. Esta pesquisa tem como objetivo discutir a relação entre estandardização e adaptação da estratégia de marketing internacional e seu desempenho correspondente em empresas multinacionais.

Com base na pesquisa e análise da estratégia global de estandardização e adaptação, este artigo discute dois argumentos de suporte, esclarece sua base teórica e o impacto de dois modos diferentes das empresas multinacionais, no seu desempenho. Após resumir a literatura anterior, este artigo propõe as hipóteses de que a estratégia de marketing padronizada/adaptável afetará o desempenho e usa os dados da pesquisa de empresas multinacionais para avaliar o melhor caminho. A análise empírica mostra que a estratégia de marketing estandardização tem um impacto positivo no desempenho. Foi confirmado que a estratégia de marketing de estandardização influencia positivamente o desempenho global da empresa e, em particular, o desempenho do marketing. As conclusões obtidas têm certo valor de referência para as empresas multinacionais.

**Palavras-chave:** Adaptação, estandardização, marketing mix, cultura, desempenho de marketing, empresas multinacionais

## Abstract

With the intensification of international competition and development of new markets, enterprises of different scales and industries are expanding overseas at an unprecedented rate, more and more Multinational Corporations had emerged as the times require. Before entering the host countries, it is necessary to take into account all factors that can affect its business performance. So the choice of international marketing mode becomes particularly important to Multinational Corporations. This research is aimed at discussing the relationship between standardization/adaptation of international marketing strategy and their corresponding performance for multinational corporations.

Based on the research and analysis of global standardization and adaptation strategy, this paper discusses two supporting arguments with standardization and adaptation, clarifies their theoretical basis and the impact on two different modes of Multinational Corporations on performance. After summarizing and combing the previous literature, this paper puts forward the hypothesis that whether the standardized/adaptive marketing strategy will affect the performance and uses the survey data onto multinational corporations to verify it. Empirical analysis shows that standardized marketing strategy has a positive impact on performance. It was confirmed that standardization marketing strategy positively influences the global performance of the company and the marketing performance particularly. The conclusions have important referential value and can be consulted for multinational corporations.

**Key words:** Adaptation, standardization, marketing mix, culture, marketing performance, multinational corporations

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## 1. INTRODUCTION

This chapter mainly deals with the background of the topic, the focus, the purpose, the delimitation and organization of study.

### *1.1 Background*

With the development of economic globalization, multinational corporations, which want to become more competitive and create more profits, have to deal with the problem on choosing their international marketing strategy. International marketing refers to the business activities of the company's goods and services to consumers in more than one country in order to make profits. (Ghauri & Cateora, 2011). Many companies identified with the *Fortune* rankings are key players in the global marketplace (Keegan & Green, 2015). According to Global 500 largest companies ranking list, published by Fortune magazine annually, the most of the companies on the list of 2019 are multinational corporations. They are building a global value chain by incorporating the best resources from the whole world integrated and extend the value chain to the world. The competition and cooperation between the enterprises with different cultural backgrounds will become more frequently, the expansion of global marketing activities has become a trend (Schmida et al., 2016). Multinational corporations play an important role in the global economy, so the cross-cultural marketing has become inevitable for them. Since the 1960s, there has been a debate on standardization and adaptation in the research and application of international marketing. Some researchers also concentrated their analysis on the relationship between firm performance and the adaption/standardization decision (Theodosiou & Leonidou, 2003; Mersid & Duman, 2014). Even though many studies have been written on standardization/adaptation of the international marketing strategy and the possible relation to export performance, with the increasing complexity of human society and the development of information circulation, global marketing has become a new focus in international marketing theory, which attracts



many scholars to conduct extensively and research in depth in this field (Katsikeas, Samiee, & Theodosiou, 2006; Waheeduzzaman & Dube, 2004). When going and operating abroad, firms to face the challenge to finding the optimal balance between standardizing and adapting their marketing strategies across national borders in order to be successful (Schmid & Kotulla, 2011).

### ***1.2 Focus***

This paper intends to explore the relationship between marketing strategies and their performance through the marketing mix for multinational corporations, and investigate that cultural factors are key influence factors of choosing from marketing strategies.

### ***1.3 Purpose***

First of all, for multinational corporations, there is an ongoing debate on the issue of what strategy will be chosen, standardization or adaptation strategy. Under the influence of the multiculturalism, the multinational corporations have to find the best fit to remain competitive. No matter which strategy the company chooses, it may directly influence performance. So this paper intends to understand the relationships between standardization/adaptation strategy and the performance.

### ***1.4 Delimitation***

The paper is delimited to explore the multinational corporations managing the marketing strategies in foreign market. The theories mainly concerned international marketing strategy, the content of standardization / adaptation strategy is delimited on marketing mix 7Ps model. The MNCs facing different cultural backgrounds belong to the category of cross-cultural marketing. The performance evaluation is delimited to financial and non-financial performance.

### ***1.5 Organization of the dissertation***

The present dissertation unfolds as follows: the first chapter is concerned with a brief introduction. And the second part reviews the literature on cross-cultural marketing, standardization and adaptation strategy of marketing mix and performance. Based on the literature review, in the third part draws the research model and hypotheses, followed by the methodology. In the next part, data analysis and the results are presented. The final part discusses the main conclusions, the contributions, and the limitations of the work, and also presents some suggestions for future research.

## **2. LITERATURE REVIEW**

This part summarizes the previous literature, research background which includes the cross-cultural marketing, standardization/adaptation strategy, and performance. According to these theories or reviews, we can better understand the development of related fields.

Multinational corporations have existed on the beginning of overseas trade. Since the end of 20<sup>th</sup> centuries, globalization has become an irreversible trend, so multinational corporations will be core organizers of international economic activities, the proportion of overseas operations has increased significantly. The concept of Multinational Corporation was firstly proposed by David E. in 1960s, and later this concept was accepted by academia and society. According to the study of Prahalad and Doz (1987), the integration strategy of multinational corporations can be divided into two aspects, global integration and global coordination. Multinational corporations occupy the emerging markets and expand the scale economy of the enterprise through the technology transfer, in order to maximize the profit of the companies (Husted & Melvin, 2011). Multinational corporations play an important role in globalization. They have been expanding rapidly on a global scale. Their footprints are almost everywhere in the world, and their influence is becoming more and more profound, so the multinational corporations are the most important

participates in the process of globalization. Subsidiaries of multinational corporations have a multicultural background, so cultural diversity has many characteristics, reflecting both the culture of the host countries and the culture of the home country (Smale et al., 2016). The ubiquity of multinational corporations has driven a lot of studies on international Marketing strategy (Saeed & Suthawan, 2019).

With globalization, the differences between countries are getting smaller. When the target market expands from the home country to the host country, the MNCs will choose the marketing strategy. Regardless of entry mode, it is essential to analyze the market conditions and environments to apply appropriate marketing strategies when expanding overseas business (Theodosiou & Leonidou, 2003; Katsikeas et al., 2006; Teoman & Mersid, 2014). So, when a company plans to go abroad, it needs to decide whether to use a standardized marketing strategy or adjust the marketing strategies to adapt to each local market. The standardization or adaptation of marketing mix has become one of the key research areas of international marketing (Larimo & Kontkanen 2008). One view believes that characteristics of customer demands tend to be consistent with different countries, the key to survival is to establish a consistent marketing model to achieve economies of scale in global markets. From another point of view, based on differences between countries and market segmentation, companies adopt more accurate positioning strategies under circumstance of high competition intensity. Many researchers also concentrated analysis on relationship between the adaptation and standardization strategy and the marketing performance (Theodosiou & Leonidou, 2003; Sousa & Lengler, 2009; Vinícios et al., 2011; Teoman, 2014). In effect, multinational corporations achieve competitive advantage by using suitable strategies to their own circumstances and providing various different elements of standardization or adaptation of international marketing strategies (Doole & Lowe, 2016). Researchers have found and proposed that the impact of standardization/adaptation on performance varies from the elements of the marketing mix (Swoboda et al., 2013).

## ***2.1 Cross culture marketing***

Culture anthropologist George Murdock (1945) studied material and non material culture, identified dozens of culture universals, including athletic sports, body adornment, cooking, courtship, dancing, decorative art, education, ethics, etiquette, family feasting, food taboos, language, marriage, mealtime, medicine, mourning, music, property rights, religious rituals, residence rules, status differentiation, and trade. The concept has been widely recognized and suggested by Herskovits (1948), culture is divided into five basic elements: material culture (including technological and economic phenomena); social institutions (including social organizations, educational systems, and political structures); belief systems; aesthetic systems (including graphic and plastic arts, folklore, music, drama, and dance); and language. According to Samovar (2001), culture is the collective programming of the mind that distinguishes the members of one group or category of people from others. In the marketing field, when introducing new products or services in the foreign markets, cultural factors are still the key factors to be considered by marketers. Scholars from various disciplines have defined it in a variety of ways.

According to Hofstede, “culture is the homogeneity of characteristics that separates one human group from another.” Culture provides a society’s characteristic with respect to norms, values, and institutions that affords understanding of how societies manage exchanges (Hofstede, 1980). Spencer Oatey (2008), believed that culture is a fuzzy collection of basic assumptions and values, orientations to life, beliefs, policies, procedures and behavioral conventions that are shared by a group of people, and can influence each member’s behavior. From a theoretical point of view, culture can be divided into three levels, including artifacts, such as behavior, clothing, art, architecture, etc.; values, such as visible products and planning; basic assumptions, such as unconscious assumptions, values, beliefs, norms that take root in people's minds. In the study of cultural distance, the method of cultural dimension has been widely used, and on this basis, many important studies on cultural framework have been produced (Gupta, Hangs, & Dorfman, 2002). Schwartz (2003) developed six

value indicators at the national level, there are 7 cultural dimensions in Schwartz theory: harmony, embeddedness, hierarchy, mastery, affective autonomy, intellectual autonomy, egalitarianism. Recently, cultural distance in research most refers to the underlying differences in national cultural values between their Multinational Corporation's home and foreign companies (Tihanyi et al., 2005).

Among cross-cultural studies, Hofstede's cultural framework has attracted wide attention from the theoretical circles, the model consists of the following dimensions: power distance index, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance index, long term orientation versus short term normative orientation, indulgence versus restraint (Hofstede et al., 2010). This method has been used by many research institutes and has proven to be effective in measuring cultural distances. With the increasing frequency of transnational business activities, cultural differences between different ethnic groups and regions bring about the new revolutions of marketing. It encourages the marketers to restudy their marketing activities, thus increasingly form the cross-cultural marketing theory. In recent years cross-cultural marketing research has assumed great importance of the academic and business worlds (Bartlett & Beamish 2011). Culture could potentially affect the standardization or adaptation of global marketing strategies (Rao & Khan, 2017).

Academically, cross-cultural research has gained wide acceptance both in international business journals and in specialized journals. The article by author Simona (2011) presented a new kind of marketing strategy, addressing the specific case of the multicultural markets, in order to identify and clearly define new market needs. The author analyzed the concept of cross-cultural marketing that integrates the above features and requirements into a unique approach for a modern marketing campaign. And he advised the companies should organize, analyzed and adapted their knowledge by using the cross-cultural marketing techniques in order to identify the similarities and the differences on target market. Considering that the perception of managers will greatly influence the formulation and implementation of global marketing strategies, some scholars recommend applying the methods of individual cognition to the study of cultural differences (Zhao, Luo, & Suh, 2004).

Cultural aspects still play a key role in reactions to customers in each country, proving the continued need to pursue a marketing strategy that combines economies of scale with national culture.

## ***2.2 Standardization strategy***

### ***2.2.1 Point of view proposed***

The reason for adopting standardization marketing strategy is that multinational corporations think globally and apply integration access worldwide. Buzzell, Perlmutter, Levitt and others support the adoption of standardized marketing strategy around the world, assuming that the global market is homogeneous, and the cost could be reduced. Since the early 1960s, the idea of standardization first was proposed by Elinder (1961) with reference to advertising, he proposed that in the Europe market, the habits of customers in different countries have become more and more similar because the development of media and tourism, multinational corporations could try to use the same advertisement, they can get higher return with the low cost. After that, standardization has often been viewed as an efficient strategy for international marketers. Buzzel (1968) noticed that multinational corporation's intent to sell the same product at the same price through the same distribution channel in different countries. His study proposed that standardization can reduce the costs from the production and marketing scale. And the consistent quality product or service can enhance customer loyalty. The standardization strategy can avoid the conflicts and competition between branches in different countries. In addition, due to the emergency of multi-market audiences, the brand image should remain consistent in global market, the standardization is good for controlling the branches of company in aspects of marketing plan and could share the good ideas about the advertisement.

Then the scholars started research on product standardization. EPG model was proposed by Howard Perlmutter (1969), including dimensions of ethnocentrism, polycentrism and geocentrism. In this model, the geocentric portion focuses on global oriented, he believes that in international marketing, multinational corporations

should adopt the “universal” product strategy. Later, the authors Wind, Douglas and Perlmutter have extended the model by a fourth dimension - regiocentric, creating the EPRG Model (1973). They believed that global standardization in marketing is a standardized marketing approach that can be used internationally. The standard products can save costs of design, production, package and advertisement but also can realize the consistency with customers, control the agencies in marketing plan and marketing politics, develop the good idea and share with other markets. And Levitt believes that global companies will sell their products and service in every corner of the world in the same way. Three points were proposed and found that over-emphasizing the adaptability would increase the cost of production, distribution and advertisement (Levitt, 1983). Firstly, the development of technology changed the world, advanced tools can send the same message to customer around the world at the same time, which supporting the standardized marketing approach. Secondly, the homogenization of consumer preference created potential market conditions for global standardization in production and marketing approach. Thirdly, if a corporation not only reduced the cost and price but also guarantee the quality and reputation for product, customer will choose this standardized product, the customer can get more profile for high quality product with low price. “The world’s needs and desires have been irrevocably homogenized”, based on the above analysis, he believed that in the context of global consumer preferences, companies should provide standardized products to consumers in every country to achieve economies of scale.

Zou and Cavusgil (2002) argued that multinational corporations tend to standardize as much of marketing mix as possible across global operations to improve financial performance, inclusive of greater profit, than competitors. The standardization of global marketing strategies stands for the same marketing modes are applied to all markets (Kamel, Mehmet, Cavusgil, & Wade, 2010). A standardization marketing strategy applies a uniform marketing elements, the associated operation strategy could be uniform across markets.

### ***2.2.2 Benefits of standardization***

In addition, many researchers and supporters of standardization theory, started to discuss the benefits of standardization of marketing. Standardization and centralization of business activities through procurement, production, marketing logistics, it's easy to achieve economies of scale and lower the costs by participating in standardization (Theodosious & Katsikeas, 2001). The standardization strategy can provide brand recognition and equity for multinational corporations (Ali, Halit, & Hayat, 2014). From the management perspective, standardized international strategies will make planning and controlling business operations easier (Theodosiou & Leonidou, 2003; Vrontis, Thrassuu, & Lamprianou, 2009). According to Yip (1989) and Douglas and Craig (1986), the standardization marketing strategy can strengthen management and control the branches of multinational corporations. Studies have shown that the benefits of standardization are strengthened when firms are more globally active (Schilke, Reimann, & Thomas, 2009).

Supporters of standardized marketing strategies believe that cost reduction is the main driving force of standardized marketing, because standardization can enable enterprises to achieve economies of scale in procurement, R&D, production, distribution and logistics, effectively reduce costs, and achieve global unity. Standardization could make it possible for companies to increase profits or lower the price charged to consumers (Birnik & Bowman, 2007). Coordination and control mechanisms reduce management complexity and simplification of organizational structure, greatly reducing cross-border management costs. Standardized strategies of international marketing plan have potential advantages, such as economies of scale, a consistent global image, and the strategy can also reduce friction between headquarters and subsidiaries/local representatives (Shoham, 2003).

### ***2.3 Adaptation strategy***



### ***2.3.1 Point of view proposed***

Proponents of adaptation emphasize the difficulty of using standardized methods and their lack of potential local responsiveness (Vrontis, 2006; Nguyen, 2011). The adaptation marketing strategy, the opposite of standardization, is known as customization, modification, specialization localization or individualization. Currently, the application of adaptation is a regular phenomenon. It is a strategy adopted by companies to integrate into the target market and strive to be a member of the target market. After proposed the concept of globalization of market by Levitt, Douglas and Wind (1987) refuted the view of global standardization. They pointed out the errors for three key assumptions by Levitt. First is about the assimilation of demands and preferences for customers, in view of Douglas, she admitted that there was global customer base in luxury industry actually, but at the same time there was a big gap between the consumers' behavior in different countries. And for the view that customers are willing to sacrifice preferences in product features, functions which had the high quality with low price, Douglas thought that low price strategy was very fragile in international market because for the consumers who were concerned about the price, have the low loyalty to this brand. In the industrial market, global buyers pay more attention to the service and product performance, but in the consumer goods market, they considered the companies' fame and reputation and the product qualities. The third assumption about the substantial economies of scale in production and marketing can be achieved through supplying global markets, Douglas thought the development of automation technology has made it possible to achieve economies of scale without the need to produce a single standardized product. And the cost of production is not the critical component in determining the total cost of the product, the companies should understand the consumer needs, preference and the purchase behavior to adjust their marketing activities.

Customer expectations for different standards vary by country and culture. This is why it is difficult to standardize marketing mix process elements in many different situations (Doole & Lowe, 2016). The differences between countries are significant,

multinational corporations need to adopt customized strategies in the international market because the income and purchase behavior in different countries exist difference. Douglas and Wind (1987) also proposed that the view of standardization implied the product-oriented but not the customer and competitor oriented. Standardization strategies that over emphasize product costs ignoring the needs and preferences of customers in different countries, it was very easy to be defeated by local competitors in the international market (Cavusgil & Zou, 1994). A lot of multinational corporations have an opportunity to transform a domestic advertising campaign against a worldwide one successfully by implementing standardization communication strategy or it can create a new global campaign from the ground up by implementing adaptation strategy (Ghauri & Cateora, 2014).

### ***2.3.2 Benefits of adaptation***

Multinational corporations carry out adaptive marketing strategy according to the actual situation of the target market, there are some main driving factors such as market factors, cost factors, competition factors, and cultural factors. The adoption of adaptation strategy can not only meet the specific needs of each local market, but also maintain the differentiation competitive advantages of enterprises and realize the profits of enterprises (Liu, 2006). Although adaptive marketing strategy increases the cost of production, it can better adapt to local needs and environment, thus bringing more benefits to compensate for the cost increase. In the era of globalization, adaptation can still be a powerful strategy. It is conducive to integration into local culture and better meet the needs of local consumers. Cultural estrangement is the main problem of globalization and the main obstacle for foreign products to enter the markets of other countries. And it is beneficial for enterprises to allocate global resources effectively. When enterprise is highly integrated into the local area, and it is more convenient to use the capital, technology and human resources of the host country. The adaptation marketing mix will be more suitable for the specific needs of the host country, making the company more competitive in a highly competitive

market (Vrontis, Thrassou, & Lamprianou, 2009). When multinational companies enter the target market and provide goods and services to locals, they can achieve strategic goals by leveraging local resources, aligning with their brand strengths, in order to achieve their business models like local companies.

#### ***2.4 Marketing mix of standardization and adaptation***

Marketing mix is an important part of the company's marketing strategy, which refers to the formation of a holistic activity of the company's controllable basic marketing measures. The concept of marketing mix was proposed by Neil Borden in 1953, which includes product, price, place and promotion. Later, Booms and Bitner (1981) proposed a 7Ps marketing mix, which added three elements: people, process and physical evidence. Standardization and adaptation of marketing content involves developing a common marketing mix for the global market. These variables of marketing mix are interrelated because a decision in one area influences decisions in other areas (Healey, C. & Gomez, 2013). Situational factors can influence a manager's decision to standardize or adjust a marketing mix, depending on which strategy they prefer (Schmid & Kotulla, 2011).

Whitelock and Pimblett (1997) also indicated that product standardization can be carried out from the characteristics of the product, the conditions of use, the consumption method, and the packaging method, etc. Especially the high-tech industrial products, multinational corporations have to standardize their marketing strategies (O'Donnell & Jeong, 2000). The products must have different characteristics in different target markets in order to adapt to the needs of specific consumer groups, so that the products are competitive and win the favor of consumers (Yang, 2009).

When deciding how to standardize or adapt prices, it is important to know what the company includes in the term pricing strategy. It is difficult to decide whether standardization or adaptation of pricing strategies can be considered, and companies must make decisions by analyzing market constraints (Vrontis & Vronti, 2004).

Doherty and Ennew (1995) pointed out the key factors for countries to form competitive advantage make the price policy depends on local conditions, such as transportation costs, tax rates, income levels, trading habits, circulation methods, etc. But the price charged to consumer can be standardized for representing consistent positioning and image of the company or brand independent of market, especially for international fashion companies (Corbellini & Saviolo, 2010).

From the channel politics perspective, when foreign consumers have a high understanding of the brand, they have to standardize their advertising across nations (Tai & Pae, 2002). The difference of channels is manifested in two aspects: first, the choice of channel should be suitable for the social environment of the local land and consumer's purchase custom; Second, be able to make the best use of the original marketing resources of local distributors and establish a local marketing network. Distribution channels with high degree of standardization are difficult to implement and rarely used for local, therefore logistics and warehousing have low degree of standardization (Dimitrova & Rosenbloom, 2010). Even if standardization of distribution is very hard for MNCs, many of them are still striving for a high degree of standardization.

It is necessary to adopt the adapted promotion strategy because advertising promotions should be accepted by local consumers to maximize consumer purchases. Localized advertising will have a great affinity with local consumers, consumers can feel that products consumed are in line with their original living habits and accept the national culture they are used to (Y. Luo & J. Luo, 2004). The opposite opinion insists that when the advertisement is centered on information and facts, it is easier to use highly degree of standardized strategy. These types of ads just need to translate the language to meet the company's needs and goals.

The others 3Ps, People, Process management and Physical evidence are three important marketing elements in the service industry. In comparison with 4Ps, 7Ps start to pay attention to some details in the marketing process, so it is more detailed and more specific than 4Ps. For People element, training of employees in terms of skills to achieve standardization service. Customers are impressed with standardized

physical displays. In the process management, a unified and standard service reflects the respect for customers (Bian, 2007).

According to Shoham, Brencic, Virant, and Ruvio (2008), multinational corporations have to partly standardize and partly adapt their marketing strategies in order to compete and develop both in the home country and host countries. Therefore many authors think that multinational corporations are more likely to adapt their marketing mix because the large companies have more resources to do it (Chung, 2005), and the smaller companies have their flexibility to provide customized marketing solutions (Filipe et al., 2008). When the product needs to meet the standards and regulations of a host country, it must be adapted to the specific tastes and preferences for the consumer (Powers & Loyka, 2010).

## ***2.5 Performance***

### ***2.5.1 Theoretical analysis***

Performance evaluation is to explore the impact of marketing activities in business performance and measure marketing productivity to understand the impact of marketing activities on the company. It is also a complex phenomenon which consisting of different perspectives of a company, department, or project. The ultimate goal is to explore whether marketing activities will affect the financial performance of the company and Corporation value. The study of performance evaluation was first proposed by American scholar Thomas Satty (1980). He used mathematical methods and Analytic Hierarchy Process methods to quantify the qualitative indicators of performance evaluation, making the research of indicators measurable. Later the researchers Charnes, Cooper and Rhodes (1980) improved Saaty's analytic hierarchy process, and the Data Envelopment Analysis method is proposed, which is to evaluate the effectiveness of the value of the enterprise after investing in capital and cost from the perspective of input and output. Strategy performance management tool by Kaplan and Norton (1996) - Balanced Scorecard, conceptualizes performance by considering four different views: financial, customer,

internal business process, and learning and growth. And the balanced scorecard can also comprehensive evaluation of financial and non-financial indicators from the perspective of finance. It is a well-designed indicator system based on the strategic requirements of the enterprise organization and beneficial for enterprises to use specific data to evaluate the implementation effect of the strategy. At the beginning of the 21<sup>st</sup> century, some scholars began to study how to evaluate marketing performance. The enterprise performance evaluation system is part of the enterprise management control system. Because each company's strategic goal have their own particularities, an effective performance evaluation system varies from each company. Performance evaluation indicators refer to which aspects of the evaluation object are evaluated. The performance evaluation system is concerned with the relevant aspects of the evaluation target and the corporate objectives, namely the key success factors. The indicators used to measure performance are also divided into financial indicators and non-financial indicators (Cavusgil & Zou, 1994; Julian, 2003; Leonidou et al., 2002). Financial aspects include return on investment, operating profit margin, etc. There are also non-financial aspects such as customer relationship, product quality, and innovation capability, segmentation, target and positioning which are in strategic dimension.

### ***2.5.2 Marketing mix of adaptation/standardization vs performance***

The degree of standardization and adaptation is appropriate or not should be evaluated according to the performance level of international marketing activities (Jain, 1989; Zou & Cavusgil, 1996). In the field of international marketing, many researchers focus on the relationship between the decision on standardization or adaptation strategy and the marketing performance (Mersid & Teoman, 2014). A specific degree of international marketing standardization/adaptation may enhance the firm's performance in financial part or non-financial part (Schmid & Kotulla, 2011). Many researches show that the main goals of standardization or adaptation are to get competitive advantage and to improve the performance, which can be measured in

terms of sales, market share, profit, assets turnover, etc. (Powers & Loyka, 2010). Considering the relationship between the marketing mix and performance, many studies have analyzed the relationship between the product, price, promotion, distribution and performance (Ozsomer & Simonin, 2004; Chumaidiyah, E. 2013; Jang & Cho, 2018). However, multinational corporations couldn't know which strategy leads to superior performance (Saeed & Suthawan, 2019).

According to Theodosiou and Leonidou (2003), the standardization or adaptation of marketing strategies to achieve superior performance depends on what the company is facing in a particular foreign market for a specific period of time. A lot of articles that analyze the relationship between performance and the marketing mix 4ps, e.g., Doole, Grimes and Demack (2006) studied product and performance, Keegan and Green (2013) also did the research about them. For price and performance, Sousa and Bradley (2008), Doole et al. (2006) did the corresponding research. The relationship between distribution and performance, have been analyzed by Amine and Cavusgil (2001), McNaughton (2002), Leonidou et al. (2002), Shoham et al. (2008). And the relationship between promotion and performance were studies by Amine and Cavusgil (2001), K. Poulis and E. Poulis (2011). But there are few of the studies about the relationship between the other three elements (people, process management and physical evidence) and performance.

### **3. METHODOLOGY**

#### ***3.1 Research model***

In order to choose the international strategy for multinational corporations regarding the performance, we developed the conceptual framework showed in Figure 1 on the basis of the empirical studies and a few reviewed studies in the literature on culture, standardization, adaptation, the performance and the marketing mix model.

According to the conceptual framework, this study combines the matching between marketing strategy and performance. Specifically, this framework describes the components of international marketing strategy and their relationships to

antecedent factors of culture; and also the performance as consequences, including measures on financial performance and non-financial performance as below (Gerber et al., 2013).

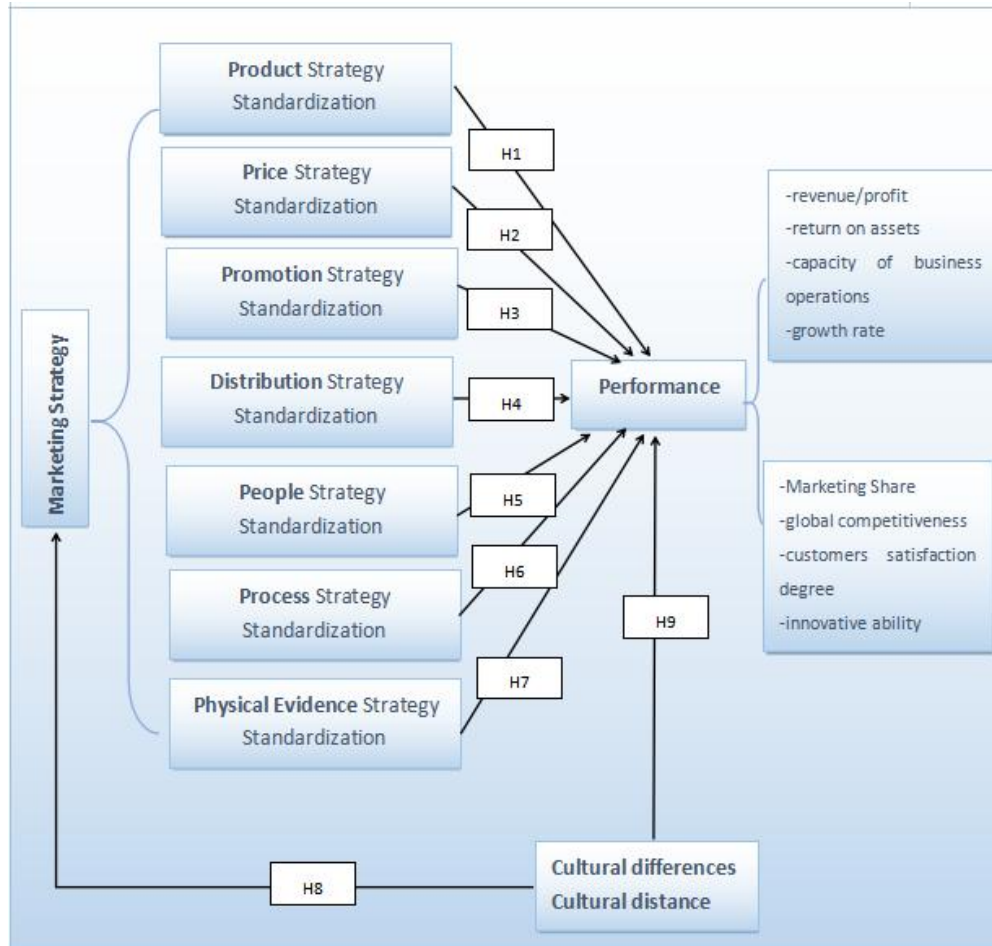


Figure I Research model adapted from Mersid and Teoman(2014) and Schmid & Kotulla(2011)

The standardization or adaptation of marketing mix has become one of key research areas of international marketing (Larimo & Kontkanen 2008). Therefore, the company's strategy should focus on allocating resources to achieve a position that matches the environment to achieve reasonable performance. Marketing strategy is a process that enables organizations to focus their resources on the best opportunities to achieve the goal of increasing sales and achieving sustainable competitive advantage (Baker, 2008). There are many differences among multinational corporations in different countries in institutional environment, business practices, economic development, cultural characteristics, internationalization starting time and experience,



which leads to different characteristics in their internationalization development, especially the cultural element. This paper there are 9 variables: cultures effect, marketing strategies-7Ps, measures of performance, which are included as financial performance and non-financial performance.

### 3.2 Hypotheses

According to different market environment, both standardization and adaptation marketing strategy can be adopted in multiple choices of international marketing strategies. In order to further explore whether the above differences have an impact on the relationship between marketing mix and performance under the strategy of the adaptation and standardization variables, this paper put forward the following hypotheses below.

Table I: Hypotheses of research

<b>H1:</b> The standardization of product for multinational corporation is positively related to marketing performance.
<b>H2:</b> The standardization of pricing for multinational corporation is positively related to marketing performance.
<b>H3:</b> The standardization of distribution for multinational corporation is positively related to marketing performance.
<b>H4:</b> The standardization of promotion for multinational corporation is positively related to marketing performance.
<b>H5:</b> The standardization of people for multinational corporation is positively related to marketing performance.
<b>H6:</b> The standardization of process management for multinational corporation is positively related to marketing performance.
<b>H7:</b> The standardization of physical evidence for multinational corporation is positively related to marketing performance.
<b>H8:</b> Cultural distance is positively related to adaptation strategy of MNCs.

Some researchers believe that doing business in a condition of high cultural distance environment can reduce the performance of multinational corporations, these studies exploring the negative correlation between cultural distance and performance (Dow & Ferencikova, 2010; Eliaa et al., 2019). As cultural diversity increases, the relationship between headquarters and branches may become more asymmetric in terms of information transfer and information sharing. So, we argue that culture diversity and culture distance between home country and host country for MNCs may hinder innovation and performance. However, there are also opposite studies of cultural distance which show that cultural distances have a positive impact on performance as cultural distances increase (Chakrabarti, Mukherjee, G., & Jayaraman,

2009; Park et al., 2018). Therefore, when MNCs are exposed to new cultures and environments rather than similar cultures and environments, they may create new cultures and environments and realize more profits and value. Our last hypothesis states the following:

**H9:** Cultural distance is positively related to performance of MNCs.

### ***3.3 Type of study***

The specific study is classified as hypothetical-deductive approach. A descriptive study is conducted in order to determine and be able to explain the features of the variables of importance in a situation (Sekaran, 2003). The main content of this paper is suitable for examining relationship between variables of international marketing strategy, culture and performance by using quantitative data collection techniques to get primary data and analyze procedures. In this paper, we focused the variables of standardization and/or adaptation of 7Ps, cultural factor, financial performance, and non-financial performance of MNCs. We sought to relate the main investigated constructions in the literature review with the actual situation of multinational corporations. The survey strategy is considered to be the most appropriate because it is a viable way to collect quantitative data, which is a prerequisite for testing the hypotheses described in this paper. And a cross-sectional design was chosen which means collection of data from more than one case at a single point in time (Bryman & Bell, 2011). In this case, we will adopt the questionnaire online.

### ***3.4 Questionnaire design and pretesting***

For the section of construction the questionnaire, we did a few of the necessary operations. First, we have established our research objectives, identified target populations, research components, and necessary information. We were aware of that depending on how the question was presented, the answer might be incorrect or biased, and so we were careful to approach respondents to avoid these problems. In this study, we decided that for practical analysis considerations, we would not include

open questions because of the type of information required. Then we chose the multiple choice and rating scale. In accordance with the logic and information needs, we proposed some more general questions from the beginning for more specific topics. The first task was to determine the company property of the respondent to ensure that the questionnaire answered is valid. The questionnaire was designed by WJX online, which included four parts. The first introductory part included seven general questions about the characteristics of respondents and respective companies. These questions needed to be consistent with the inclusion of sample criteria for respondents. And it was necessary to ensure that respondents have the ability to provide accurate information. The second part were concerned about the variables of culture. The third part consisted the independent variables of marketing mix strategy. And the last part comprised questions the variables of performance, which included financial part and non-financial part.

We conducted 5 pretests and concluded that the questionnaire was functional, only detecting an initial failure to share the questionnaire link for the emails that would respond. We quickly realized that it was poorly performed due to ignorance of the platform used. So, we continue to share the final survey on the respective people that might have ability to response by social network.

### ***3.5 Data collection***

The survey was aimed at CEO, product manager or marketing personnel who working in multinational corporations, which means they have a certain understanding of their company and certain feelings about different cultural environments. The geographical scope of the survey was not limited. A total of 239 responses were received, from which 90 responses were deleted because they did not meet the criteria for working in a multinational corporation and were invalid. The final effective rate was 62%. The questionnaire can be found in Appendix I.

### ***3.6 Operationalization of variables***

In this study, the theoretical concepts used would be operated as measurable items. Due to the current form of these concepts cannot be quantified, it is impossible to measure. We selected data collection method - questionnaire online to build metrics based on several factors, including cultural factor, economic, 7Ps of marketing mix and company performance. All the variables were measured by 7 point scale with two anchor points. The items were created and applied in previous studies by the authors as the table below.

Table II: Source of variables items

<b>Theory</b>	<b>Items</b>	<b>Source</b>
<b>Culture</b>	<b>14 items:</b> language; social and cultural customs; customer's education level; ways of thinking; dietary culture; values and ethical standards; media freedom; degree of inequality between people; importance of the social status symbol; awareness of privacy; women are expected to have confidence; openness to change and innovation; employees tend to be self-managed and independent; individual competition among employees	Murdock, G. P., 1945; Hofstede et. al., 2010
<b>Economics</b>	<b>3 items:</b> consumer buying power; cost of labor; economic development level	Chung, H. F. L., 2003
<b>Product</b>	<b>5 items:</b> product design; product range; product packing; product name; service offered	Blythe, J. 2009
<b>Price</b>	<b>5 items:</b> price-setting; discount strategy; payment terms/options; currency used; allowance	Blythe, J.2009
<b>Promotion</b>	<b>4 items:</b> adverting content and message strategy; public relationship; media used and media strategy; direct marketing and sales promotion	Blythe, J. 2009
<b>Distribution</b>	<b>5 items:</b> channel member selection and channel member relationships; distribution channel; transportation and logistics; warehousing; channel management	Blythe, J. 2009
<b>People</b>	<b>5 items:</b> attitude and behavior of employees; reliability; customer service; organization culture; training	Zeithaml, Bitner, & Gremler 2013
<b>Process management</b>	<b>6 items:</b> mechanism; employee decision; service delivery; customer engagement; activity process; response time	Shostack, G. L. 1984
<b>Physical evidence</b>	<b>5 items:</b> design of livery; equipment and facilities of service premises; equipment and facilities of office premises; spatial Layout; corporate branding	Bitner, M. J. 1992
<b>Financial performance</b>	<b>5 items:</b> high sales revenue; strongly capacity; credibly solvent; ability to resist the adverse effects of various uncertainties in business; a continuous growth rate	Jusni & Mochklas 2018
<b>Financial performance</b>	<b>4 items:</b> return on assets; return on investment; sales return; total sales	J. Wolinski & G. Coates, 2015
<b>Non-financial performance</b>	<b>6 items:</b> improved global competitiveness; high customers satisfaction degree; innovative ability; clear strategic and technical objectives; achievement of strategic goals; satisfaction with overall performance	Tang, Q., 2005

## 4. DATA ANALYSIS

### 4.1 Data cleaning and coding

After the questionnaire was closed, we received 239 responses in total. The data was collected in format of Excel, and corrupt or inaccurate results were deleted and corrected. For example, 59 respondents did not work in a multinational company. And we also removed the 31 invalid responses because respondents are working in the parent company. So we got 149 valid response. The cultural difference was coded Culdif\_1 to Culdif\_7, and the cultural distance were coded Culdis\_1 to Culdis\_7. The 7Ps model were coded in regard to the individual indicators of the product, price, promotion, distribution, people, process, and physical evidence. The items were coded as Prod\_1 to Prod\_5, Pri\_1 to Pri\_5, Prom\_1 to Prom\_4, Dis\_1 to Dis\_5, Peo\_1 to Peo\_5, Proc\_1 to Proc\_6, and Phy\_1 to Phy\_5. As for performance, from financial perspective, were coded Perfin\_1 to Perfin\_5; from non-financial perspective, were coded Pernon\_1 to Pernon\_4. Performance were also combined with financial performance and non-financial performance indicators to form a dependent variable. After data collection and cleaning, the SPSS Statistics was used to analyze quantitatively by SPSSAU.

### 4.2 Sample characterization

Our sample consisted 149 valid responses. The information of respondents and companies where they are working showed as the tables below.

Table III: Job title of respondents

Respondents position	
CEO	5(3.4%)
Product/Sales manager	18(12.1%)
Marketing Personal	41(27.5%)
Others	85(57%)

Table IV: Currently working countries

Mainly Working country of MNCs	
Angola/Brazil	15(10.2%)
China	72(48.3%)
Portugal	23(15.4%)
Others	39(26.1%)

Table V: Parent company country of MNCs

Mainly parent company country of MNCs	
China	33(22.2%)
Germany	18(12.1%)

Table VI: Operation time of MNCs

How long has the business been in operation	
<5 years	32(21.5%)
5-9 years	20(13.4%)

United States	24(16.1%)
Others	74(49.6%)

10-19 years	29(19.5%)
More than 20 years	68(45.6%)

Table VII: Quantities at overseas of MNCs

Quantities of multinational corporations	
1-30	51(34.2%)
31-60	20(13.4%)
61-90	13(8.7%)
More than 90 countries	65(43.6)

Table VIII: Size of company of MNCs

Size of company of MNCs	
Micro enterprises	16(10.7%)
Small enterprises	37(24.8%)
Medium-sized enterprises	37(24.8%)
Large enterprises	59(39.6%)

### 4.3 Reliability

Reliability refers to the degree of consistency of results obtained by repeating measurements of the same object in the same way. Cronbach alpha is currently one of the most commonly method to measure internal reliability, which varies between 1 (representing full internal reliability) and 0 (representing no internal reliability). According to De-Vellis(2012), Cronbach alpha internal consistency more than 0.9 means excellent reliability, between 0.8 and 0.9 means good, a value between 0.7 and 0.8 means acceptable, between 0.6 and 0.7 means questionable, between 0.5 and 0.6 means poor, a value which less than 0.6 is considered as a unacceptable reliability. The reliability coefficient of the total scale is preferably above 0.8. (George, D., & Mallery, P., 2003). We calculated the Cronbach alpha value as below and the detail of dimensions can be found in Appendix III Reliability Analysis.

Table IX: Cronbach alpha results of variables

Research dimensions	Number of questions	Cronbach alpha
Culture	14	0.898
Economic	3	0.761
Marketing strategy-product	5	0.845
Marketing strategy-price	5	0.857
Marketing strategy-promotion	4	0.808
Marketing strategy-distribution	5	0.920
Marketing strategy-people	5	0.887
Marketing strategy-process management	6	0.902
Marketing strategy-physical evidence	5	0.935
Financial performance(question 18)	5	0.930
Non-financial performance(question 20)	4	0.915

The variable data involves eleven dimensions; The Cronbach alpha coefficient is used to measure the reliability level of the data. It can be seen from the above table that the alpha coefficient values of all dimensions are higher than 0.7 and the minimum is 0.761, which indicates that the reliability of this data is good, and the research data is true and reliable.

#### ***4.4 Validity***

##### ***4.4.1 Content validity***

Generally, according to the item selected by the measurement scale, it is only observed from the content to judge whether it can represent the theme to be measured. In order to know whether the measurement tool accurately reflects the concept to be measure, content validity was conducted to obtain efficient scale. According to the Expert judgment method, the questionnaire was evaluated in a professional manner. After the correcting, the questionnaire was sent to marketing personal in multinational corporations in Portugal and China. And according to the *feedback*, these questions could be understood and acceptable.

##### ***4.4.2 Exploratory factor analysis***

Factor analysis is also the main method for construct validity analysis of data collection methods. The construct validity refers to the measurement ability of measurement tools to objects. The current data, involving cultural, economic, marketing mix 7Ps and performance part, a total of 61 scale questions. These topics are divided into 11 dimensions regarding the theory. The indicators of KMO value, communality, the value of variance interpretation rate, factor load value and others were comprehensively analyzed to verify the level of validity of the data as below.

Table X: Results of validity analysis

Results of Validity Analysis											
	Factor loading										
	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7	Factor8	Factor9	Factor10	Factor11
Eigen values(Unrotated)	20.903	6.450	4.111	2.995	2.132	1.965	1.797	1.324	1.277	1.250	1.073
% of Variance(Unrotated)	34.267%	10.574%	6.739%	4.909%	3.495%	3.222%	2.946%	2.170%	2.094%	2.049%	1.760%
Cumulative %(Unrotated)	34.267%	44.841%	51.580%	56.490%	59.985%	63.206%	66.153%	68.322%	70.416%	72.465%	74.225%
Eigen values(Rotated)	7.527%	5.430%	4.812%	4.763%	4.565%	3.978%	3.681%	3.652%	3.148%	2.509%	1.211%
% of Variance(Rotated)	12.340%	8.901%	7.888%	7.809%	7.484%	6.522%	6.035%	5.987%	5.160%	4.113%	1.985%
Cumulative %(Rotated)	12.340%	21.241%	29.129%	36.939%	44.422%	50.945%	56.979%	62.966%	68.126%	72.240%	74.225%
KMO	0.875										
Bartlett Test of Sphericity	8208.367										
df	1830										
pvalue	0.000										

The KMO value is used to judge the validity, the communality value is used to exclude the unreasonable item, the value of variance interpretation rate is used to describe the information extraction level, and the factor load coefficient is used to measure the relationship between the factor (dimension) and the item. It can be seen that the communality value to all the research items are higher than 0.4, indicating that the research item information can be effectively extracted. In addition, the KMO value is 0.875, which is greater than 0.6, which means the data is valid. The percent of variance of the 11 factors are 12.340%, 8.901%, 7.888%, 7.809%, 7.484%, 6.522%, 6.035%, 5.987%, 5.160%, 4.113%, 1.985%, and the cumulative percent of variance after rotation is 74.225% > 50%, which means that the amount of information in the research item can be extracted efficiently.

#### 4.5 Data analysis

##### 4.5.1 Correlation analysis

Correlation analysis is to study the correlation between two quantitative data. The Pearson correlation coefficient is a linear correlation coefficient, a method used to reflect the degree of linear correlation between two variables (Hauke, 2011). The correlation coefficient is denoted by  $r$ , and  $r$  describes the degree of linear correlation



between the two variables. The larger the absolute value of  $r$  means stronger the correlation (Zhang, 2009). Therefore, the Pearson correlation coefficient is often used in the actual research. In order to study the correlation between performance and product, price, promotion, distribution (place), people, process management, physical evidence, the strength of the relationship was indicated by Pearson correlation coefficient. Performance and product, price, promotion, distribution (place), people, process management, physical evidence all showed statistical significance among the 7 items. The correlation coefficient values were 0.440, 0.190, 0.166, 0.215, 0.255, 0.390, and 0.395. And the correlation coefficient value is greater than 0, which means that there is a positive correlation between performance and product, price, promotion, distribution (place), people, process management, and physical evidence.

Table XI: Pearson correlation coefficient results of 7Ps vs performance

Pearson correlation coefficients				
		Performance(financial)	Performance(non-financial)	performance
Product	Coefficient	0.418**	0.386**	0.440**
	$p$ value	0.000	0.000	0.000
Price	Coefficient	0.195**	0.149	0.190**
	$p$ value	0.017	0.070	0.020
Promotion	Coefficient	0.186**	0.110	0.166**
	$p$ value	0.023	0.182	0.043
Distribution (place)	Coefficient	0.205**	0.189**	0.215**
	$p$ value	0.012	0.021	0.008
People	Coefficient	0.237**	0.230**	0.255**
	$p$ value	0.004	0.005	0.002
Process Management	Coefficient	0.358**	0.359**	0.390**
	$p$ value	0.000	0.000	0.000
Physical evidence	Coefficient	0.373**	0.350**	0.395**
	$p$ value	0.000	0.000	0.000

\*  $p < 0.05$  \*\*  $p < 0.01$

The same at others concept, using correlation analysis to study the correlation between culture, marketing mix and performance, Pearson correlation coefficient indicated the strength of the correlation. After the specific analysis, the result shows that the correlation coefficient between culture and product, price, promotion, distribution (place), people, process management, physical evidence are 0.350, 0.476, 0.390, 0.536, 0.457, 0.407, 0.405 respectively, thus, there is a significant positive

correlation between culture and 7PS; but the coefficient between culture and performance is 0.082, close to 0, the P value is  $0.323 > 0.05$ , thus indicating that there is no correlation between culture and performance.

Table XII: Pearson correlation coefficient results of culture and 7Ps

Pearson correlation coefficients									
		Product	Price	Promotion	Distribution (place)	People	Process Management	Physical evidence	performance
Culture	Coefficient	0.350**	0.476**	0.390**	0.536**	0.457**	0.407**	0.405**	0.082
	p value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.323
* $p < 0.05$ ** $p < 0.01$									

#### 4.5.2 One-way ANOVA

Using analysis of variance method (one-way ANOVA) to study the difference between marketing strategy-7PS and performance (non-financial), performance (financial), performance (Bewick, V., 2004). First, the 7PS was conducted the cluster analysis to classify the samples, and the label named cluster\_kmeans\_7PS. According to the international marketing strategy, there are three types of marketing strategies in the current market, standardization, adaptation and integration (mixed strategy). So, we divided three categories cluster\_1 to cluster\_3, which correspond to adaptation, mixing, and standardization strategy respectively.

Table XIII: Results of One-way ANOVA Analysis-7Ps vs performance

Results of One-way ANOVA Analysis					
	cluster_kmeans_7PS(Mean±Std. Deviation)			F ?	p ?
	cluster_1(N=23)	cluster_2(N=88)	cluster_3(N=38)		
Performance(non-financial)	5.63±0.82	4.81±0.86	4.64±1.34	7.754	0.001**
Performance(financial)	5.49±0.83	4.66±0.83	4.49±1.44	7.650	0.001**
performance	5.55±0.77	4.73±0.75	4.56±1.29	9.302	0.000**
* $p < 0.05$ ** $p < 0.01$					

According to the result of calculation, cluster\_kmeans\_7PS showed a level of 0.01 significance for Performance (non-financial) ( $F=7.75$ ,  $p=0.00$ ), comparing difference showed that there was a significant difference between the group average

scores and the result “cluster\_1>cluster\_2; cluster\_1>cluster\_3”; cluster\_kmeans\_7PS showed a level of 0.01 significance for Performance(financial) (F=7.65, p=0.00), comparing difference showed that there was a significant difference between the group average scores and the result “cluster\_1>cluster\_2; cluster\_1>cluster\_3”; cluster\_kmeans\_7PS showed a level of 0.01 significance for Performance (non-financial) (F=9.3, p=0.00), comparing difference showed that there was a significant difference between the group average scores and the result “cluster\_1>cluster\_2; cluster\_1>cluster\_3”. Therefore, different cluster\_kmeans\_7PS samples for non-financial performance, financial performance, and integrated performance all showed significant differences. We did a correlation analysis of culture and 7PS with the same method and the result showed significant differences between different cluster\_k\_means culture samples for product, price, promotion, distribution (place), people, process management, and physical evidence.

Table XIV: Results of One-way ANOVA Analysis-culture vs 7Ps

Results of One-way ANOVA Analysis					
	cluster_kmeans_culture(Mean±Std. Deviation)			F	p
	cluster_1(N=45)	cluster_2(N=67)	cluster_3(N=37)		
Product	3.74±1.21	4.28±0.88	4.71±1.10	8.971	0.000**
Price	3.18±0.93	4.30±0.83	4.70±1.05	31.917	0.000**
Promotion	2.89±0.88	4.03±1.09	4.13±1.33	18.082	0.000**
Distribution (place)	3.25±0.84	4.37±0.90	4.92±0.96	38.303	0.000**
People	3.59±0.98	4.54±0.81	4.84±1.07	21.479	0.000**
Process Management	3.64±1.03	4.63±0.75	4.83±1.02	21.613	0.000**
Physical evidence	3.65±1.21	4.71±0.79	4.93±1.20	19.209	0.000**

\* p<0.05 \*\* p<0.01

### 4.5.3 Regression analysis

Regression analysis is used to study the influence relationship of X (quantitative or nominal) on Y (quantitative), whether there is an influence relationship, what is the direction of influence and degree of influence. Since multiple scale questions represent a dimension, we used the average function of generate variables, combining

multiple scale items into one overall dimension. So, we divided 32 items into 7 dimensions regarding marketing mix 7Ps. And also generated the average value for variables of performance section.

As can be seen from the table below, product as an independent variable and performance as a dependent variable for linear regression analysis, the model R squared value is 0.193, which means that Product can explain the 19.3% change in performance. When the model was tested by value F, the model was found to pass the F test ( $F=35.209$ ,  $p<0.05$ ), which means that Product must have an influence on the performance, and the model formula is:  $\text{performance}=3.173 + 0.387*\text{Product}$ . The final concrete analysis shows that the regression coefficient of Product is 0.387 ( $t=5.934$ ,  $p=0.000<0.01$ ), which means that Product have a significant positive impact on performance. This calculation method is also applicable to other independent variables. Therefore, we got that regression coefficient of Price is 0.168( $t=2.347$ ,  $p=0.020<0.05$ ), which means that Price also have a significant positive impact on performance. The regression coefficient of Promotion is 0.132( $t=2.039$ ,  $p=0.043<0.05$ ); the regression coefficient of Distribution is 0.190( $t=2.675$ ,  $p=0.008<0.01$ ); the regression coefficient of People is 0.235( $t=3.193$ ,  $p=0.002<0.01$ ); the regression coefficient of Process management is 0.366( $t=5.140$ ,  $p=0.000<0.01$ ); the regression coefficient of Physical evidence is 0.329( $t=5.208$ ,  $p=0.000<0.01$ ), which means that all these independent variables have a significant positive impact on performance. The results can be found in the table below.

Table XV: Regression analysis with performance as dependent variable

Results of Regression Analysis										
	Unstandardized Coefficients		Standardized Coefficients	t	p	VIF	R <sup>2</sup>	Adj R	F	D_W
	B	Std. Error	Beta							
Constant	3.173	0.285	-	11.129	0.000**	-	0.193	0.188	35.209(0.000**)	1.628
Product	0.387	0.065	0.440	5.934	0.000**	1.000				
Constant	4.127	0.301	-	13.692	0.000**	-	0.036	0.030	5.509(0.020*)	1.724
Price	0.168	0.072	0.190	2.347	0.020**	1.000				
Constant	4.321	0.252	-	17.115	0.000**	-	0.028	0.021	4.159(0.043*)	1.703
Promotion	0.132	0.065	0.166	2.039	0.043**	1.000				
Constant	4.020	0.306	-	13.157	0.000**	-	0.046	0.040	7.155(0.008**)	1.683
Distribution	0.190	0.071	0.215	2.675	0.008**	1.000				
Constant	3.795	0.327	-	11.595	0.000**	-	0.065	0.058	10.193(0.002**)	1.710
People	0.235	0.073	0.255	3.193	0.002**	1.000				
Constant	3.207	0.321	-	10.003	0.000**	-	0.152	0.147	26.423(0.000**)	1.720
Process management	0.366	0.071	0.039	5.140	0.000**	1.000				
Constant	3.347	0.290	-	11.525	0.000**	-	0.156	0.150	27.124(0.000**)	1.680
Physical evidence	0.329	0.063	0.359	5.208	0.000**	1.000				

Dependent variable: performance  
\* p<0.05 \*\* p<0.01

With the same method we integrated 14 items about the culture section as independent variable, and the dependent variable is the application of international marketing strategy 7Ps (Standardization or adaptation or mixed strategy). From the results showed in the table below, we can see that the independent variables have a significant positive impact on the choice of marketing strategy.

Table XVI: Regression analysis with MKT strategy 7PS as dependent variable

Results of Regression Analysis									
	Unstandardized		Standardized	<i>t</i>	<i>p</i>	VIF	<i>R</i> <sup>2</sup>	Adj <i>R</i> <sup>2</sup>	<i>F</i>
	<i>B</i>	Std. Error	<i>Beta</i>						
Constant	2.281	0.266	-	8.586	0.000**	-	0.271	0.267	54.774(0.000**)
Culture	0.503	0.068	0.521	7.401	0.000**	1.000			
Dependent variable: MKT Strategy 7PS									
D-W: 1.763									
* $p < 0.05$ ** $p < 0.01$									

## 5. RESULTS

Based on the marketing 7Ps theory, this research studied the impact of marketing standardization and adaptation on company performance, including the influence of cultural factors. After the statistical analysis of the data, we can get the results that there is a positive correlation between performance and marketing strategy-7Ps (product, price, promotion, distribution (place), people, process management, physical evidence) due to the correlation coefficient value is greater than 0. And as a antecedent factor, there is a significant positive correlation between culture and 7PS; but the coefficient between culture and performance is 0.082, close to 0, the P value is  $0.323 > 0.05$ , indicating that there is no correlation between culture and performance. According the results of one-way ANOVA, the analysis of variance shows a trend that, with adaptation strategies corresponding to low performance and standardized strategies corresponding to high performance. The results show that the standardization of international marketing strategy-7Ps has a positive relationship on

the performance of multinational corporations. Regression analysis also shows that the model has a high degree of interpretation, indicating that there is a negative correlation between the adaptation of international marketing strategies and performance. In contrast, multinational corporations show a significant positive relationship between standardized international marketing strategies and performance. Therefore, hypothesis testing results are:

**H1:** standardization of product is positively related to performance (**Supported**)

**H2:** standardization of price is positively related to performance (**Supported**)

**H3:** standardization of promotion is positively related to performance (**Supported**)

**H4:** standardization of distribution is positively related to performance (**Supported**)

**H5:** standardization of people is positively related to performance (**Supported**)

**H6:** standardization of process is positively related to performance (**Supported**)

**H7:** standardization of physical management is positively related to performance (**Supported**)

**H8:** cultural distance is positively related adaptation strategy of MNCs (**Supported**)

**H9:** cultural distance is positively related to performance of MNCs (**Not Supported**)

## 6. DISCUSSION AND CONCLUSIONS

### *6.1 Discussion*

This chapter discusses the factors that have a major impact on performance. Based on the results of the 7PS marketing mix model, there is a positive correlation between standardization strategy and performance. This is consistent with the findings of the same result with previous surveys (Teoman & Mersid, 2014). Multinational corporations seek economies of scale by standardizing the marketing activities of their subsidiaries, with a standardized perspective (Falcão, Masiero, & Campomar, 2017). The explanation for this negative relationship between adaptation and performance is that the cost of adaptation is too high. In addition, the complexity of managing in overseas increased the costs of international business management.

### ***Cultural distance***

Cultural distance is a key factor of marketing adaptation strategy (Evans & Bridson 2005). According to the analysis result between cultural and marketing strategy-7PS, there is a positive correlation between marketing mix and Culture. As we can see that the most significant value between 7PS is distribution, and the correlation coefficient is 0.536, and then is people element, which is 0.457. This result proves that the culture element is most relevant to channels and people. When multinational corporations face a high cultural distance in the host country market, marketing standardization strategy will be difficult to implement, and MNCs will be more inclined to adopt the marketing adaptation strategy to meet the needs of different host countries (Li & Wu, 2015). Culture has important practical significance for guiding enterprises to correctly understand and correctly apply channel power, and how to ease channel conflicts in business activities through different cultural relationships, strengthen channel cooperation, and improve channel efficiency. Different cultures also have a certain impact on human resource management. According to Ang and Massingham (2007), national culture has an effect in range of MNCs in aspects of standardization and adaptation decision.

### ***Marketing mix strategy-7PS***

Standardization of marketing mix strategy-7PS is positively correlated with performance. In the early of 21 centuries, the researches of Ozsomer and Simonin (2004) showed that standardization of marketing mix elements can significantly improve business performance. Among all the marketing mix elements, the product element has the most significant regression coefficient value, which is 0.387. Regarding this result, we can prove that the implementation of product standardization can eliminate the need for companies to design different products for different market, thereby reducing design and management costs. The implementation of high-volume, low-variety production will reduce raw materials, machinery and other production costs, and obtain considerable results. This result may be due to the

following reasons: the company always obtains economies of scale from product development; the speed of development and diffusion of new products in the international market will accelerate, especially in the case that the product life cycle is generally shortened today, enterprises will tend to use standardized products (Chung, 2007). Since standardization occurs in the context of cooperation among competitors, technological change, and an unbalanced monopolistic competitive environment, standardization is still a highly path-dependent process even without increasing profits (Liu, 2016). Among the elements of the marketing mix, a large amount of research focused on the standardization of promotional activities, especially in the standardization of advertising campaigns. As the similarity of consumer lifestyles and the increase of standardized products in the world increase, the forms and contents of personnel promotion and advertising become more and more standardized among various markets (Liu et al., 2016).

## **6.2 Conclusions**

In global marketing, marketing strategy is a key factor in determining the success of multinational corporations in overseas markets. This paper uses different measurement methods to examine the impact of marketing mix strategies-7PS on the performance for multinational corporations in global marketing. The study found that the standardized marketing mix strategy positively affect the performance of multinational corporations. Cultural distance has a positive impact on the use of adaptive strategies, but cultural distance has no direct impact on performance. Among them, the measurement of cultural dimension is more reflected in the individual's perceptual effect, which is a subjective dimension.

All these results confirm that the marketing mix has a great significance to the growth of multinational corporations. By adopting a strategy that adapts to their own situation, regardless of standardization, adaptation or mixed strategy, the company aims to improve performance (financial and non-financial aspects). Standardization/adaptation marketing strategy can be seen as a strategy for entering



foreign markets. According the results of this paper, under the context of performance growth due to the standardization strategy, multinational corporations should adopt a standardized marketing strategy. Because multinational corporations can not only achieve cost savings in development, manufacturing, sales, logistics, communication, etc., but also form a global unified brand image. In particular, the benefits of standardization reduce the losses caused by friction within the organization. The application of a standardization strategy not only makes it possible to provide high-quality products and services to consumers in the global market at low prices, moreover, it can maintain the cost competitive advantage of the enterprise and realize the profit. With the gradual deepening of the reform field, scholars have reached consensus that no matter which strategy the company chooses in the process of internationalization, they need to make reasonable choices according to the characteristics of the industry and the market. Performance is an important criterion for evaluating whether companies choose marketing standardization or adaptive strategies. Standardization strategy can lead to higher performance, which may explain that it is the result of global integration.

### ***Contributions and limitations***

The mainly contribution of this study manifested that theoretical basis and assumptions of the marketing standardization and the adaption viewpoints are theoretically clarified, revealing the essence of the long-term debate on these two viewpoints; second, in practice it is a great guiding significance to design an effective international marketing strategy for MNCs. The results of analysis proposed in this paper laid a solid foundation and provide a feasible choice direction and judgment criteria for enterprises to develop their own international marketing strategies. In the recent research, we can find a lot of studies in marketing mix 4ps but ignoring the others 3Ps. So, we added the 3 Ps to rich the conclusions.

Although the findings of this study have theoretical and managerial implications, there are some limitations. Due to the quantities of sample is not huge enough, the

data collected is limited. And the countries of samples are limited in some main countries, especially China, United States, Portugal, Angola and Brazil. So, the results are unable to represent all multinational corporations, the data may present survival bias.

### ***Future research***

In fact, execution of pure standardization and pure adaptation strategy are impossible, includes other influential marketing strategy variables (e.g. legal, political, economic, and market structure differences between domestic and export markets). An effective international marketing strategy should be between standardization and adaptation. In essence, it is a degree research of standardization or adaptation. Therefore, future research should focus on the degree of standardization and adaptation, under what conditions should the international marketing activities be standardized and adapted. Besides, alternative contingency factors also to be considered that can have potential impact on the relationship between strategy and performance (e.g. legal, political). And the research variables should be further subdivided. For practitioners, it is necessary to recognize the differences in the connotations of relevant variables in different studies, and to select those studies that are consistent with their own goals, otherwise they may be misled by mismatched research conclusions. For academia, it is necessary to try to use multiple measurement methods for the same set of samples in future research or use multidimensional indicators with multiple connotations to obtain more comprehensive conclusions. In the future, it is possible to classify the industrial categories of multinational corporations, such as research on service industry. The internationalization of services has also become the trend of the times, but the research attention of service multinationals has lagged behind manufacturing. We should further develop a deeper analysis of the relationship between service industry standardization and performance, such as exploring the characteristics of service products (intangibility, inseparability, perishability, and variability) may be also an interesting topic for future research.

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<https://spssau.com/front/en/spssau/index.html>

### Appendix I Questionnaire

## Influence of Standardization and Adaptation Strategy for MNCs on Performance



This questionnaire aims to explore the influences of standardization and adaptation strategy within the scope of the marketing mix to the multinational corporations' marketing performance. If you work in a multinational company and could complete the following questionnaire, I would appreciate it.

The questionnaire is anonymous and the result of the questionnaire would be designed only for my research. Your answers are vital for the successful completion of my paper.

The questionnaire should take approximately 10 minutes to complete. Thank you very much for your time.

Part A: Demographic data of the respondent and the company background

\* 1. Do you work for a multinational corporation?

Yes

No

\* 2. What is your position in the company?

CEO

Product/Sales manager

Marketing personnel

Others

\* 3. In which country are you currently working?

Select ▼

\* 4. Where is the headquarter of your parent company?

Select ▼

\* 5. How many years have your company been operating in the international market?

<5 years

5-9 years

10-19 years

More than 20 years

\* 6. How many countries does the company operate?

1-30

31-60

61-90

More than 90 countries

\* 7. Please indicate the business size of your company.

Micro enterprises(fewer than 10 employees)

Small enterprises (10 to 49 employees)

Medium-sized enterprises(50 to 249 employees)

Large enterprises(250 employees or more )

Part B:  
Comparing the cultural and economic differences between the country you currently stay and the country of headquarter(parent company), please rate the following on a scale of 1 to 7 being **Extremely different** to **Extremely same**.

\* 8. Cultural difference (1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Language	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social and cultural customs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer's education level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ways of thinking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	1	2	3	4	5	6	7
Dietary culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Values and ethical standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media freedom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 9. Cultural distance (1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Degree of inequality between people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Importance of the social status symbol	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Awareness of privacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Women are expected to have confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	1	2	3	4	5	6	7
Openness to change and innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees tend to be self-managed and independent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Individual competition among employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 10. Economic status**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Consumer buying power	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of labor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic development level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Part C: Marketing Mix Questions

Directions: Please answer each question by choosing on a scale of 1 to 7 being **Extremely different** to **Extremely same** that can best indicate your opinion.

**\* 11. Comparing the Product Strategies of your current company and the parent company, how do you rate on the following attributes? (product may be tangible or intangible)**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Product design - feature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product assortment-product range, product mix, product lines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product name	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service offered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 12. Comparing the Price Strategies of your current company and the parent company, how do you rate on the following attributes?**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Price-setting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discount strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payment terms/options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Currency used	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Allowances-e.g. rebates for distributors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 13. Comparing the Promotion Strategies of your current company and the parent company, how do you rate on the following attributes?**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Advertising content and message strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public relationship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media used and media strategy - how to reach the target audience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct marketing and sales promotion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 14. Comparing the Distribution Strategies of your current company and the parent company, how do you rate on the following attributes?**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Channel member selection and channel member relationships	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distribution channel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation and logistics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Warehousing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Channel management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 15. Comparing the People Strategies of your current company and the parent company, how do you rate on the following attributes?**  
(1= Extremely different; 7= Extremely same)

	1	2	3	4	5	6	7
Attitude and behavior of employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reliability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organization culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 16. Comparing the Process management of your current company and the parent company, how do you rate on the following attributes? (1= Extremely different; 7= Extremely same)**

	1	2	3	4	5	6	7
Mechanism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee decision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activity process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Response time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 17. Comparing the Physical evidence of your current company and the parent company, how do you rate on the following attributes? (1= Extremely different; 7= Extremely same)**

	1	2	3	4	5	6	7
Design of livery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Equipment and facilities of service premises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Equipment and facilities of office premises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spatial Layout	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate branding (signs, symbols and artifacts)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Part D:

Directions: The questionnaire of this part concerned the dependent variables of Marketing Performance. Please answer each question by choosing on a scale of 1 to 7 that can best indicate your opinion.

**\* 18. From a financial perspective , your company... (1=Strongly Disagree; 4=Neither agree nor disagree; 7= Strongly Agree)**

	1	2	3	4	5	6	7
has high sales revenue/high profit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has strongly capacity of business operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
is credibly solvent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has the ability to resist the adverse effects of various uncertainties in business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has a continuous growth rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 19. How the following financial objectives changed in the target market? (1=reduced by more than 20%; 5=increased by more than 20%)**

	1	2	3	4	5	6	7
Return on assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Return on investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales return	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 20. From a non-financial perspective , your company... (1=Strongly Disagree; 4=Neither agree nor disagree; 7= Strongly Agree)**

	1	2	3	4	5	6	7
has improved our global competitiveness and maintains high market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has high customers satisfaction degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has innovative ability, such as R&D investment, new product development ability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
has clear strategic and technical objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\* 21. Has your company achieved in the following areas related to the target market? (1=Strongly Disagree; 4=Neither agree nor disagree; 7= Strongly Agree)**

	1	2	3	4	5	6	7
Degree of achievement of strategic goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Satisfaction with overall performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Submit

Appendix II Information of respondents and companies



Figure 1: Respondents position

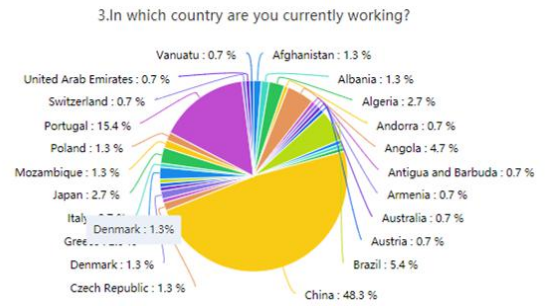


Figure 2: Mainly Working country

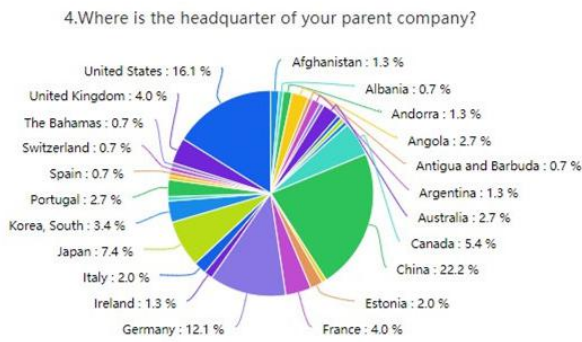


Figure 3: Mainly parent company country

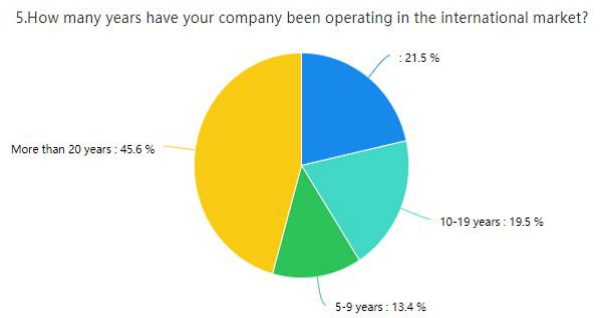


Figure 4: Operation years of multinational corporations

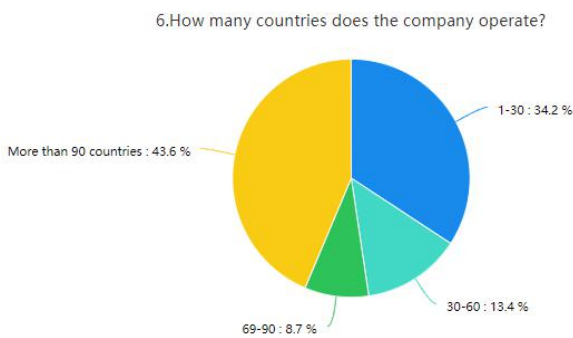


Figure 5: Number of multinational corporations

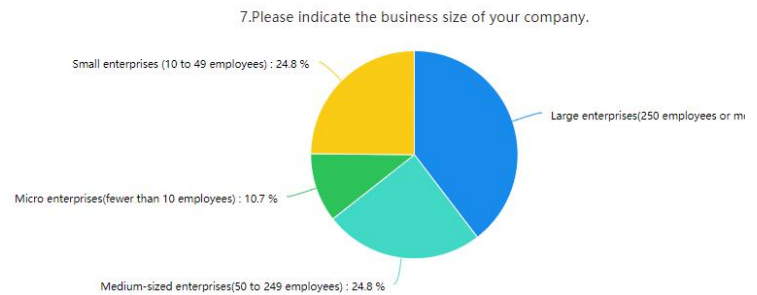


Figure 6: Size of company

**Appendix III Reliability Analysis**

**Table 1: Reliability statistics-culture**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
8.Culdif_1(Language)	0.611	0.891	0.898
8.Culdif_2(Social and cultural customs)	0.656	0.888	
8.Culdif_3(Customer' s education level)	0.570	0.892	
8.Culdif_4(Ways of thinking)	0.630	0.890	
8.Culdif_5(Dietary culture)	0.651	0.889	
8.Culdif_6(Values and ethical standards)	0.683	0.887	
8.Culdif_7(Media freedom)	0.572	0.892	
9.Culdis_1(Degree of inequality between people)	0.597	0.891	
9.Culdis_2(Importance of the social status symbol)	0.587	0.892	
9.Culdis_3(Awareness of privacy)	0.548	0.893	
9.Culdis_4(Women are expected to have confidence)	0.475	0.896	
9.Culdis_5(Openness to change and innovation)	0.514	0.894	
9.Culdis_6(Employees tend to be self-managed and independent)	0.627	0.890	
9.Culdis_7(Individual competition among employees)	0.550	0.893	
Cronbach $\alpha$			0.900 $\alpha$

**Table 2: Reliability statistics-economic**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
10.Eco_1(Consumer buying power)	0.632	0.633	0.761
10.Eco_2(Cost of labor)		0.804	
10.Eco_3(Economic development level)		0.552	
Cronbach $\alpha$			0.757 $\alpha$

**Table 3: Reliability statistics-product**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
11.Prod_1(Product design - feature)	0.706	0.798	0.845
11.Prod_2(Product assortment-product range, product mix, pro)	0.730	0.793	
11.Prod_3(Product packaging)	0.735	0.791	
11.Prod_4(Product name)	0.549	0.841	
11.Prod_5(Service offered)	0.559	0.839	
Cronbach $\alpha$			0.848 $\alpha$

**Table 4: Reliability statistics-price**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
12.Pri_1(Price-setting)	0.714	0.817	0.857
12.Pri_2(Discount strategy)	0.648	0.834	
12.Pri_3(Payment terms/options)	0.641	0.836	
12.Pri_4(Currency used)	0.592	0.856	
12.Pri_5(Allowances-e.g. rebates for distributors)	0.810	0.796	
Cronbach $\alpha$			0.864 $\alpha$

**Table 5: Reliability statistics-promotion**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
13.Prom_1(Advertising content and message strategy)	0.561	0.788	0.808
13.Prom_2(Public relationship)		0.739	
13.Prom_3(Media used and media strategy - how to reach the t)		0.735	
13.Prom_4(Direct marketing and sales promotion)		0.770	
Cronbach $\alpha$			

**Table 6: Reliability statistics-distribution**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
14.Dis_1(Channel member selection and channel member relati)	0.769	0.907	0.920
14.Dis_2(Distribution channel)	0.829	0.895	
14.Dis_3(Transportation and logistics)	0.813	0.898	
14.Dis_4(Warehousing)	0.756	0.910	
14.Dis_5(Channel management)	0.801	0.901	
Cronbach $\alpha$			0.920 $\alpha$

**Table 7: Reliability statistics-people**

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
15.Peo_1(Attitude and behavior of employees)	0.721	0.864	0.887
15.Peo_2(Reliability)		0.854	
15.Peo_3(Customer service)		0.860	
15.Peo_4(Organization culture)		0.857	
15.Peo_5(Training)		0.875	
Cronbach $\alpha$			0.887 $\alpha$

Table 8: Reliability statistics-process management

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
16.Proc_1(Mechanism)	0.687	0.892	0.902
16.Proc_2(Employee decision)	0.794	0.875	
16.Proc_3(Service delivery)	0.820	0.871	
16.Proc_4(Customer engagement)	0.775	0.878	
16.Proc_5(Activity process)	0.752	0.882	
16.Proc_6(Response time)	0.579	0.907	
Cronbach $\alpha$ 0.903 $\alpha$			

Table 9: Reliability statistics-physical evidence

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
17.Phy_1(Design of livery)	0.843	0.918	0.935
17.Phy_2(Equipment and facilities of service premises)	0.890	0.908	
17.Phy_3(Equipment and facilities of office premises)	0.840	0.918	
17.Phy_4(Spatial Layout)	0.776	0.930	
17.Phy_5(Corporate branding (signs, symbols and artifacts))	0.790	0.928	
Cronbach $\alpha$ 0.936 $\alpha$			

Table 10: Reliability statistics-performance (financial)

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
18.Perfin_1(has high sales revenue/high profit)	0.758	0.925	0.930
18.Perfin_2(has strongly capacity of business operations)	0.847	0.909	
18.Perfin_3(is credibly solvent)	0.833	0.911	
18.Perfin_4(has the ability to resist the adverse effects of v)	0.824	0.913	
18.Perfin_5(has a continuous growth rate)	0.821	0.914	
Cronbach $\alpha$ 0.931 $\alpha$			

Table 11: Reliability statistics-performance (non-financial)

Reliability Statistics (Cronbach Alpha)			
Title	Corrected Item-Total Correlation(CITC) $\alpha$	Cronbach Alpha if Item Deleted $\alpha$	Cronbach $\alpha$
20.Peron_1(has improved our global competitiveness and mainta)	0.801	0.891	0.915
20.Peron_2(has high customers satisfaction degree)	0.837	0.878	
20.Peron_3(has innovative ability, such as R&D investment, ne)	0.777	0.899	
20.Peron_4(has clear strategic and technical objectives)	0.808	0.889	
Cronbach $\alpha$ 0.915 $\alpha$			

**Appendix IV Validity Analysis, correlation analysis, one way ANOVA, regression analysis**

Table 12: Validity analysis

Results of Validity Analysis											
	Factor loading										
	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7	Factor8	Factor9	Factor10	Factor11
Eigen values(Unrotated)	20.903	6.450	4.111	2.995	2.132	1.965	1.797	1.324	1.277	1.250	1.073
% of Variance(Unrotated)	34.267%	10.574%	6.739%	4.909%	3.495%	3.222%	2.946%	2.170%	2.094%	2.049%	1.760%
Cumulative %(Unrotated)	34.267%	44.841%	51.580%	56.490%	59.985%	63.206%	66.153%	68.322%	70.416%	72.465%	74.225%
Eigen values(Rotated)	7.527%	5.430%	4.812%	4.763%	4.565%	3.978%	3.681%	3.652%	3.148%	2.509%	1.211%
% of Variance(Rotated)	12.340%	8.901%	7.888%	7.809%	7.484%	6.522%	6.035%	5.987%	5.160%	4.113%	1.985%
Cumulative %(Rotated)	12.340%	21.241%	29.129%	36.939%	44.422%	50.945%	56.979%	62.966%	68.126%	72.240%	74.225%
KMO	0.875										
Bartlett Test of Sphericity	8208.367										
df	1830										
pvalue	0.000										

Table 13: Correlation analysis: marketing Mix 7ps vs Performance

Pearson correlation coefficient				
		Performance(financial)	Performance(non-financial)	performance
Product	Coefficient	0.418**	0.386**	0.440**
	p value	0.000	0.000	0.000
Price	Coefficient	0.195**	0.149	0.190**
	p value	0.017	0.070	0.020
Promotion	Coefficient	0.186**	0.110	0.166**
	p value	0.023	0.182	0.043
Distribution (place)	Coefficient	0.205**	0.189**	0.215**
	p value	0.012	0.021	0.008
People	Coefficient	0.237**	0.230**	0.255**
	p value	0.004	0.005	0.002
Process Management	Coefficient	0.358**	0.359**	0.390**
	p value	0.000	0.000	0.000
Physical evidence	Coefficient	0.373**	0.350**	0.395**
	p value	0.000	0.000	0.000

\* p<0.05 \*\* p<0.01



Table 14: Correlation analysis: culture vs Marketing mix 7ps

Pearson correlation coefficient									
		Product	Price	Promotion	Distribution (place)	People	Process Management	Physical evidence	performance
Culture	Coefficient	0.350**	0.476**	0.390**	0.536**	0.457**	0.407**	0.405**	0.082
	p value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.323

\* p<0.05 \*\* p<0.01

Table 15: One-way ANOVA: marketing mix 7ps vs performance

Results of One-way ANOVA Analysis					
	cluster_kmeans_7PS(Mean±Std. Deviation)			F	p
	cluster_1(N=23)	cluster_2(N=88)	cluster_3(N=38)		
Performance(non-financial)	5.63±0.82	4.81±0.86	4.64±1.34	7.754	0.001**
Performance(financial)	5.49±0.83	4.66±0.83	4.49±1.44	7.650	0.001**
performance	5.55±0.77	4.73±0.75	4.56±1.29	9.302	0.000**

\* p<0.05 \*\* p<0.01

Table 16: One-way ANOVA: marketing mix 7ps vs culture

Results of One-way ANOVA Analysis					
	cluster_kmeans_culture(Mean±Std. Deviation)			F	p
	cluster_1(N=45)	cluster_2(N=67)	cluster_3(N=37)		
Product	3.74±1.21	4.28±0.88	4.71±1.10	8.971	0.000**
Price	3.18±0.93	4.30±0.83	4.70±1.05	31.917	0.000**
Promotion	2.89±0.88	4.03±1.09	4.13±1.33	18.082	0.000**
Distribution (place)	3.25±0.84	4.37±0.90	4.92±0.96	38.303	0.000**
People	3.59±0.98	4.54±0.81	4.84±1.07	21.479	0.000**
Process Management	3.64±1.03	4.63±0.75	4.83±1.02	21.613	0.000**
Physical evidence	3.65±1.21	4.71±0.79	4.93±1.20	19.209	0.000**

\* p<0.05 \*\* p<0.01

Table 17: Regression analysis: marketing mix 7ps vs performance

Results of Regression Analysis								
	Unstandardized Coefficients		Standardized Coefficients	t	p	VIF	R <sup>2</sup>	Adj R
	B	Std. Error	Beta					
Constant	3.173	0.285	-	11.129	0.000**	-	0.193	0.188
Product	0.387	0.065	0.440	5.934	0.000**	1.000	-	-
Constant	4.127	0.301	-	13.692	0.000**	-	0.036	0.030
Price	0.168	0.072	0.190	2.347	0.020**	1.000	-	-
Constant	4.321	0.252	-	17.115	0.000**	-	0.028	0.021
Promotion	0.132	0.065	0.166	2.039	0.043**	1.000	-	-
Constant	4.020	0.306	-	13.157	0.000**	-	0.046	0.040
Distribution	0.190	0.071	0.215	2.675	0.008**	1.000	-	-
Constant	3.795	0.327	-	11.595	0.000**	-	0.065	0.058
People	0.235	0.073	0.255	3.193	0.002**	1.000	-	-
Constant	3.207	0.321	-	10.003	0.000**	-	0.152	0.147
Process management	0.366	0.071	0.039	5.140	0.000**	1.000	-	-
Constant	3.347	0.290	-	11.525	0.000**	-	0.156	0.150
Physical evidence	0.329	0.063	0.359	5.208	0.000**	1.000	-	-

Dependent variable: performance  
\* p<0.05 \*\* p<0.01

Table 18: Regression analysis: marketing mix 7ps vs culture

Results of Regression Analysis									
	Unstandardized Coefficients		Standardized Coefficients	t	p	VIF	R <sup>2</sup>	Adj R <sup>2</sup>	F
	B	Std. Error	Beta						
	Constant	2.281	0.266						
Culture	0.503	0.068	0.521	7.401	0.000**	1.000	-	-	-

Dependent variable: MKT Strategy 7PS  
D-W: 1.763  
\* p<0.05 \*\* p<0.01