

# **Reducing Risk in Foreign Market Entry Strategies: Standardisation versus Modification**

**Maktoba Omar\* and Marc Porter\*\***

\*Dr. Maktoba Omar  
School of Marketing  
Napier University Business School  
Craighouse Campus  
Edinburgh, UK  
EH14 1DJ

\*\*Mr Marc Porter  
Department of Strategy, Marketing and Communications  
IPAG Business School  
Boulevard Saint Germain  
Paris, France  
75006

## **Correspondent Address**

\*Dr. Maktoba Omar  
School of Marketing  
Napier University Business School  
Craighouse Campus  
Edinburgh , UK  
EH14 1DJ  
E-mail [m.omar@napier.ac.uk](mailto:m.omar@napier.ac.uk)  
Phone: 0131 455 4404  
Fax: 0131 455 4540

## **Abstract**

In the context of international business market entry, much research emphasis has been placed upon the issues of standardisation versus modification. Generally, however, this research focuses on promotion and advertising. In order to expand the research/knowledge base, this paper investigates the research variables that influence standardisation / modification decisions in a framework comprising 'firm or company context' and 'host country context'. The research, undertaken with a sample of 700 U.K. based, for-profit organisations adapts and further develops Hofstede's (1980) study and identifies that competition and political risk are negatively significant in relation to the degree of standardisation. In addition, economic development and international experience are positively significant in relation to the degree of standardisation. Firm size and culture differences have no impact upon the degree of standardisation. One question that motivates this paper is therefore 'Are there specific types of experience that can reduce the influence of risk in a firm's market entry strategy?'

## **Introduction**

Within the context of international marketing, issues relating to standardisation/modification have been the subject of debate for the past four decades with an increase in interest arising after the publication of Levitt's (1983) seminal article (O'Donnell and Jeong, 2000). While discussion about this subject has been proliferate in the international business literature (e.g. Elinder, 1961; Roostal, 1963; Jain, 1989; Agrawal, 1995), "we are nowhere close to any conclusive theory or practice" (O'Donnell *et al*, 2000 p 19). This, according to Douglas and Craig (1992) can be attributed to the lack of empirical work on this topic. Therefore, the purpose of this paper is to investigate empirically the influence of six key contextual determinants upon the degree of standardisation for firms who enter a new market directly. That is who choose a direct market entry strategy rejecting, joint ventures, licensing, mergers and acquisitions, and other market entry strategies. These determinants are divided into two main groups: Firm Context (FC) and Host Country Context (HCC). FC includes competition, international experience and firm size. HCC includes political risks, economic development, and cultural differences. The remainder of the paper is organised as follows: a literature review and related literature discussion which addresses the impact of the Firm Context and Host Country Context in relation to the standardisation strategy, and sets out the research hypotheses. Subsequently, consideration is given to the research methodology, including measurement of the variables leading the selection of the firms and the sample. Thereafter, the research findings are presented and discussed, with the final section being dedicated to limitations, recommendations and a summary.

## **Literature Review and Hypotheses Development**

Standardisation is a selective strategy in which each firm must find a degree of such commensurate with its local environment (Killough 1978), product and its current situation (Cavusgil *et al*, 1993; Rau *et al*, 1987). Baalbaki *et al*, (1993) suggested that firms investigate the standardisation/modification strategy in relation to each element of the marketing mix and tailor them (individually and collectively) for the overall benefit of the firm. However, Andrus, (1991), when investigating the effect of the foreign involvement on the standardisation of marketing mix elements, identified that highly involved international firms will move toward standardisation for the majority of their product marketing strategies, but not for other elements of the marketing mix. Conversely, Hill and Still (1984), Wind (1986), O'Donnell *et al*, (2000) highlight that a need for modification will generally be required among national markets with respect to physical environment, political and legal systems, cultures, and economic developments.

Standardisation is defined as "identical product lines at identical prices, through identical distribution systems, supported by identical promotional programs in several different countries" (Buzzell, 1968; p. 165). The Buzzell definition is an extreme one, inasmuch as the overseas environment will have a greater influence on standardising elements such as price and distribution. Therefore, this paper considers the following definitions as more practical and flexible. Grindley (1990) defined a standardised product as a product that manages to gain the consumer's opinion as standard, regardless of its quality and price. While

Grindley's definition can be challenged by the suggestion that adaptation results in increased sales and / or market share (e.g. Cavusgil *et al*, 1993; Yip, 1989)., Levitt refutes this, proposing the possibility that consumers may not know their preference as they may never have previously encountered a product and / or their preference is inclined to change over time (Levitt, 1983). The lack of consensus with respect to definition, application and appropriateness of standardisation emphasises the need for flexibility in strategic and operational development within the organisation. Thus the 'degree of standardisation' can be conceptualised as being on a continuum whose extremes are standardisation and modification. The position on the continuum is determined by changes in the marketing mix in response to conditions of the overseas environment. Although internal organizational conditions may also affect the choice of standardisation / modification, we only treat the external forces limited by the six key contextual determinates outlined above.

Prahalad *et al* (1986) examined the international competition within a single global industry in relation to the integration responsiveness framework (I-R) and this was extended by the research of Roth *et al*, (1990). This latter study concurred with the original work of Prahalad *et al* (1986) confirming that businesses in the US construction equipment industry did cluster into three groups. These were identified as follows: multifocal, local responsiveness and global unit, approximating closely to the framework established by Prahalad *et al* and presents an independent verification of the 1987 model thereby providing further evidence of its value in defining differences in an industry context. According to Sorenson *et al*, (1975), in a study of the international consumer packaged goods sector, to provide evidence that shows the extent to which international companies standardised their marketing activities. The study investigated 27 international co-operations operating within the US in relation to their businesses in Europe which were consumer non-durable products. Sorenson *et al*, (1975) found that in relation to the marketing mix of product elements a high degree of product standardisation appears to exist in the following: brand names, physical characteristics and packaging.

Whitelock (1987) attempts to study the possibility and desirability of standardisation by considering specific linen products manufactured in the UK and exported to other European countries. The objectives of the study were to consider the following: to evaluate international product standardisation with references to specific range of products; "to add a European export dimension to the existing literature that is heavily biased towards the experiences of US companies and to establish how far Europe can be viewed as one market for this range of products" (Whitelock, 1987; p.37). The results of the study revealed that firms that adopt a strategy of modification demonstrated the highest export turnover of those firms studied. Conversely, those firms that adopted a standardisation strategy have low export performance. Whitelock (1987) therefore stated that success in export markets depends on product modification. The standardisation of international marketing strategy by exporting firms from Colombia using the following factors: core products, peripherals and consumer targeted products were examined by Zou *et al*, (1997). This study emphasised that Colombian firms demonstrated a high level of consciousness of their export markets and subsequently their export marketing strategies reflected this awareness. The research suggested that some firms from developing countries do not simply follow their domestic market strategy when they start exporting but instead are adaptive to their individual geographic markets. However, the findings also lend support to the multidimensional view of international marketing standardisation by the Colombian firms as they try to standardise certain aspects of their international marketing strategy, suggesting that certain strategic components may be transferable across markets and that such transferability may bring with it benefits.

## **The Influence of Competition upon Strategy Selection**

In considering the limitations associated with standardisation, Douglas *et al* (1987) suggested that a standardised product strategy, dependent upon price positioning, remains vulnerable to competition if product specifications exceed those necessary or understood in some foreign markets. Therefore, in accordance with Zou *et al* (1997), the existence of global competition, according to Douglas *et al*, (1987), does not necessarily imply a need for global standardisation. Instead the difference between two countries, if substantive or significant, could lead the international firm to adopt a modification strategy (be it complete or partial). Such modification may relate not only to price, product, brand etc as previously identified, but also to cheap labour, raw materials, etc (Wheelen *et al*, 1984) whereby competitive advantage may be gained by utilising the availability and proximity of such resources rather than altering the product per se. Additionally, Douglas *et al*, (1987) highlighted the nature and level of competition that differentiates one country from another impacts upon the propensity for organisations to modify or standardise, and the extent to which either of these two strategies is implemented. Based upon this, the first research hypothesis is as follows:

***H1 The greater the level of competition in the firm's industry, the lower the degree of standardisation.***

### **The Influence of International Experience upon Strategy Selection**

Cavusgil *et al*, (1993; p. 486) defined International Experience "as the amount of experience management has accumulated as an international business player". This can be gained via overseas involvement or by learning from other international firms. According to Cateora (1993); and Terpstra (1987), as a firm that gains experience it has more knowledge about the difference between the overseas markets and subsequently the most appropriate degree of standardisation / adaptation. Cavusgil *et al*, (1993) and Douglas *et al*, (1987) pointed out that less experienced firms are more likely to adopt a strategy matching its current situation to the overseas' market conditions. Therefore, a minimal modification of the product is required, whilst gaining a competitive advantage. Norvell *et al*, (1995) also pointed out that firms which have considerable international experience will probably select the highest level of involvement and have a higher percentage of total sales. Cavusgil *et al*, (1993) measured international experience in three ways: the management's international experience in the overseas market; the number of years the firm has been involved in the international business and the number of foreign countries where the firm has an ongoing operation. The same criteria have been used in this research to measure international experience. The second research hypothesis is as follows:

***H2 The greater the firm's international experience in overseas markets, the higher the degree of standardisation.***

### **The Influence of Firm Size upon Strategy Selection**

According to Quester and Conduit (1996) there has been very little research about the relationship between the effect of the international firm's size and its proclivity to adapt or standardise. The reason may be because a centralisation-standardisation relationship is assumed as is revealed in their research in which tests for correlation between the size of an international firm and its centralisation were conducted. A study by Ozsomer *et al*, (1991) of 33 relatively small Turkish subsidiaries in relation to the implementation of the standardisation strategy overseas, revealed that the small size international firms included in the study have a higher likelihood of adopting a standardisation strategy than demonstrated by their US parent firms. Quester and Conduit (1996) suggested the size of the international firms and/or its subsidiaries may be a determinant in explaining the degree of standardisation a subsidiary applies to the marketing mix. Small subsidiaries may have the tendency to standardise their operations for two reasons: economies of scale and an inability to modify owing to manufacturing limitations. With relation to the marketing mix, Seifert and Ford (1989) examined the relationship between the level of standardisation and the size of the export market. Their findings are that product and price are not affected by the size of the exporting experience of a company.

However for multinational companies, operational managers often encounter critical factors based on the entry strategy that require different levels of control (Chen *et al.* 2007). These levels of control can provide critical support to the standardisation strategy that may not always be available to firms of a smaller size. We can, therefore see that the firm size has a direct influence on the market entry strategy chosen by the firm. Based upon the existing literature, the third research hypothesis is as follows:

***H3 The larger the firm size, the higher the degree of standardisation***

### **The Influence of Political Risk upon Strategy Selection**

The political situation of the host country has a direct impact on an organization's entry strategy. Delios and Henisz (2003) emphasize not only the importance of the current political situation but also the importance of political change and political processes for international expansion strategies. International firms may have conflict with the overseas firm over repatriation of profit, the control of the foreign assets and the risk of break down in international trade and investment policies of the government (Agarwal *et al.*, 1992; Herring, 1983; Weston *et al.*, 1972). This conflict could result in, or be the result of, a change in the relationship between two countries, including such factors as war, trade and currency agreement (Thunell, 1977). Rugman *et al.*, (1989) and Root (1987) pointed out that the investment risk in the host country reflects the uncertainty over the continuation of production, the economic and political conditions and government policies, which are critical to the profitability of an international firm's operation overseas. Anderson and Gatignon (1986) stated that when the surrounding environment is politically unstable, the international firm could control the risk by choosing low control modes that help to avoid high resource commitment and increase strategic flexibility (including, if apposite, market withdrawal). Nevertheless, a high degree of control is required in foreign markets where there is a combination of high risk and an accumulation of firm specific assets. A number of empirical studies reveal that in the case of high risk host countries, international firms will generally try to avoid high control entry mode. However, when international firms have a relatively strong position when dealing with the host government then they will select a high entry mode such as wholly owned subsidiary allowing the company more flexibility to standardise their product (see Benito, 1996; Gatignon *et al.*, 1988; Kim *et al.*, 1992; Bell, 1996). Chaudhari (1988) suggested that when the international firm faces an unstable political environment, they may select joint venture modes which could reduce their financial exposure. In addition, he suggested that this may enable the organisation to be treated as a domestic firm, which will also give the company the opportunity to adopt a modification strategy rather than standardisation strategy. This review results in the following, hypothesis:

***H4 When there is high influence of political risk in the host country there is a low degree of standardisation.***

### **The Influence of Economic Development on Strategy Selection**

The state of a country's development also has an impact upon the strategy of a company moving into that country and the extent to which it standardises or modifies its marketing mix. Hill *et al.*, (1984) stated that, in less developed countries, greater product adaptation is required in rural areas than in urban areas. Research has indicated that sending products to less developed countries can require more modification to cater for less sophisticated customer segments (e.g. Douglas and Craig, 1989; Kale *et al.*, 1987; Levitt, 1983; Sheth *et al.*, 2001). However, while not wholly refuting the significance of sophistication, research has also shown that there are other dimensions which have an influence upon the economic development, such as population. Therefore, it is suggested that rather than looking at the target market in terms of affluence and poverty, it may be better to identify segments in developed and developing countries that are similar and present a homogeneous market (see Levitt, 1983; Sheth *et al.* 2001; Jain 1989). This leads to the fifth hypothesis which is as follows:

***H5 The lower the host market economic development, the lower the degree of standardisation.***

### **The Influence of Cultural Difference upon Strategy Selection**

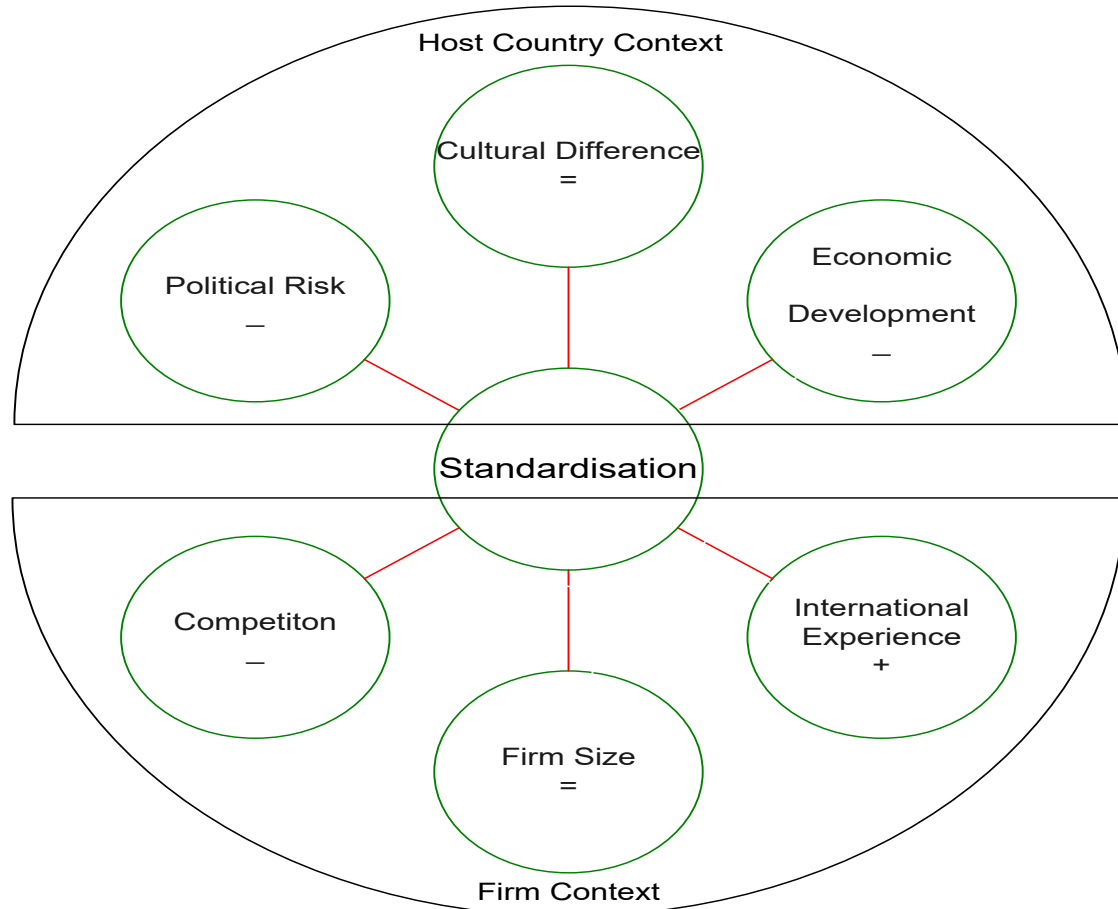
International firms, to survive in international markets, must consider the diversity of factors that influence culture in foreign countries. These factors form the root of most of the problems experienced by internationalising firms and therefore they must try to deal with their influence (Cateora, 1993; Currie, 1991; Lee, 1966). Such issues remain consequential, despite the fact that the world is perceived becoming more homogeneous as evidenced by a few international or standardised "products and brand names" enabling the firms an opportunity to gravitate increasingly towards a standardisation strategy. The role of cultural difference in influencing product modification is recognised as significant in much of the literature (Whitelock, 1987). Boddewyn et al (1977) summarised their studies by emphasising that consumer tests and habits are a major difficulty facing the strategy of standardisation. Quelch et al (1986) indicated that products that are highly constrained culturally do not benefit from high scale economies and are more difficult to standardise. Ohmae (1985) lists culture and habits as major factors limiting universality. Furthermore, even within a country that is comparatively homogeneous, subculture differences usually exist and the international firm will influence, and be influenced by, the culture in which the firm operates. Hofstede's study (1980) considered four dimensions of culture which are: strong and weak power distance; certainty and uncertainty avoidance; masculinity and femininity, and collectivism and individualism. These have formed the basis of a number of established studies and for the purposes of comparability and although the Hofstede study (1980) is limited, this research finds use of the study to clarify certain points, resulting in the following hypothesis:

***H6 The greater the cultural differences between the home country and the host country, the lower the degree of standardisation.***

### **Summary and Contextualisation of Hypotheses**

From the preceding review of the literature the 'genealogy' of the constituent hypotheses that comprise this study have been demonstrated. However, on presenting these hypotheses it is appropriate to highlight that they can be represented as contextually dichotomous whereby hypotheses 1, 2 and 3 are specifically pertinent to the sector or firm, whilst hypotheses 4, 5 and 6 relate to the host country. Strategy selection is therefore the result of influences within each of these two groupings and between the two groupings as is shown in figure 1.

**Figure 1: Contextualisation of Standardisation Hypothesis**



## Research Methodology

In this section, the primary consideration is the selection of the sample targeted for collecting the data required for the questionnaire. The questionnaire design required respondents familiar with the firm's entire international strategy and the rationale that underpinned it. Furthermore, the respondents needed to be familiar with the home and the overseas environment, the extent to which these influenced strategy and the manifestation of such influences. These criteria identified the firm's Chief Executive Officer as being the most appropriate respondent. However, Phillips (1981) indicated that the most reliable information within an organisation was not necessarily the most senior. Thus, the initial point of contact remained the C.E.O., but with the proviso that s/he may redirect the enquiry to the most appropriate information source(s) based upon personal insight and familiarity with the study and the needs of the research.

## Measurement of the Variables

The variables (i.e. competition, international experience, firm size, political risk, economic development, cultural difference) discussed in the hypotheses section are summarised in table 1, which shows the measurement of the independent and dependent variables, and the direction of the hypothesised relationship.

**Table 1 Measurement of Variable and Expected Signs**

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<b>Independent Variable</b>		
The degree of standardisation	Ordinal scale from 1=high standardisation to 5= low standardisation.using the following items:- unique product designed for each country; standard products with specific adaptation Kotabe (1990), also differentiation and the ability to develop a differentiated product (Cavusgil et al., 1993; Agarwal et al., 1992). The degree of quality differentiation of the total product offered and the presence of direct competitors in the market at entry Ryans (1984).	
<b>Dependent Variables</b>		
Competition	A five point scale is used to rate the intensity of the competition in the overseas market. The measures used are product development, pricing strategy, quality, choice of supplier, wages and labour policy, administration and supervision, organisation and, sharing resources with the overseas market of Kim and Hwang (1992) and Cavusgil et al., (1993).	
Organisation structure	Based on study by Pugh et al., (1969). Pugh measured the size of the organisation by number of employees, sales revenue and market capitalisation, and the level of the authority in the organisation. -	+
Competitive advantages	Factor analysis based on a study done by Dess and Davis (1984; p. 473-476). It was used to divide the competitive advantage variables into factors low cost, differentiation, marketing research, focus (breadth of strategic target) (Julius and Jr, 1995; Roth and Morrison, 1990; Miller, 1988).	+
The degree of involvement	measured is based on Kim and Hwang's (1992) work. Respondents were asked to clarify their participation in the foreign operation, with regard to manufacturing know-how; marketing know-how; marketing expertise; R&D resources; R&D personnel; production and marketing personnel and distribution system. This considers the level of possible sharing between the foreign business unit and the organisation's other business units.	+
Economic development	Measures according to GNP per capita (US\$) (Bell, 1996), energy consumption per capita, infant mortality per 1000 live births and the percentage of illiteracy aged 15+. The data was obtained from the United Nations and the World Bank Reports.	-
Cultural difference	based on Hofstede's (1984, 1990) four dimensions. The reasons for choosing Hofstede's work is that other studies have shown both validity and reliability.	-
Regulations	based on Cavusgil's et al., (1993) as the degree of legal regulation (health and safety) in the foreign market and is similar to those in the host market on a 5-point scale where 5= important and 1: not at all important.	-
Political risk	measured according to Agarwal et al., (1992) and Kim and Hwang's (1992) work, as the risk that the host government will interfere with the repatriation of firm's profits; the control of foreign assets; the risk of a breakdown in international trade and investment policies of the government, on a 5 point scale.	-

In addition, based upon a framework established by Hofstede (1980) and modified for the purposes of this research, an initial list of 65 countries was subsequently divided into two sub-lists (replicating the original study by Hofstede (1980), one comprising developed countries and non-developed countries. Respondents were thereby encouraged to select (if appropriate) a country from each sub-list in which they have an ongoing operation.

Using SPSS two measures (economic development and the cultural difference) were installed together. Then, based upon cluster analysis, attempts were conducted to identify relatively homogeneous groups of cases (or variables) based on selected characteristics, using an algorithm that starts with each case (or variable) in a separate cluster and combines clusters until only one is remaining were carried out.



### **Identifying and Selecting the Survey Sample**

The first step in developing a sampling frame was to collate a list of UK firms that undertake business overseas. These firms were randomly selected from all industry sectors using a sample frame of firms having at least two overseas sales subsidiaries. A Systematic sample procedure was used. Systematic sampling provides a short cut method for obtaining a virtually random sample and is relatively bias free sampling technique (Harper, 1982).

The sample frame used for selecting these firms was collectively obtained using three key sources: Who Owns Whom (1995/1996), Key British Enterprises (1994, 1996) and Kompass (1989/1990). Kompass (1989/1990), is the main directory and one of the most comprehensive available, listing over 30,000 firms and providing extensive information about those listed, including address, telephone number, size (employees and turnover), industrial classification, the principal officers and positions held by them within the company. The Key British Enterprises (1994, 1996) was also used, primarily as a corollary source of information, relating primarily to key personal, business type, profit and brand name(s), with Who Owns Whom (1995/96) being similarly utilised. Contact was made by telephone to 700 international UK firms with the intention of enlisting their co-operation with the research. All agreed to receive the questionnaires, although it was highlighted by approximately 28% of the initial contacts that they could not guarantee an ability and / or willingness to actively co-operate by completing the questionnaire. The uncertainty of these firms with regards to their active participation reflected the recommendation of Bryman et al (1997) whereby it was suggested that, in the context of quantitative research (in particular) large samples are to be preferred to compensate for the problems of non-participation / non-response. For the purposes of piloting the questionnaires, twelve firms were selected and solicited. These firms were then withdrawn from the subsequent research phase.

### **Result and Discussions**

#### **Firm Context in Relation to the Degree of Standardisation**

The purpose of the following section is to consider the influence of the variables comprising the industry/firm context and their respective influence upon the degree of standardisation adopted by the firm. Each will be considered individually.

Competition proved to be negatively significant at ( $P < 0.002$ ) justifying the formulation of the hypotheses. The result endorses the findings of Douglas and Wind (1987) who suggested that international competition does not necessarily imply a need for standardisation. Instead, it has been suggested that international competitors may react to the products of other firms competing in the marketplace by matching or exceeding the quality of the product offered within the target market Ryans (1984), such matching or exceeding may or may not be inherent in the product and therefore is not solely the result of pre-entry modification. However, research has shown that, with the growth and different level of competition, international firms must at least consider product modification as part of a global strategy (Fisher, 1984; Douglas and Wind, 1987; Hill and Still, 1984; Jain, 1989). Conversely and more specifically, in a mature market when the product has a leadership position, a high degree of standardisation may be desirable (Porter, 1986). The result implies that the higher the level of competition, the greater the need for the firm to consider an entry strategy based upon modification with the objective of segment matching.

The analysis shows that there is a positive relationship between international experience and the degree of standardisation ( $P < 0.008$ ). The results agree with those research studies which highlight that the more experience the international firm has in the overseas market, the more likely standardisation will be pursued as a strategy as the aforesaid familiarity makes the strategy of modification more acceptable (e.g. Douglas

and Wind, 1987). Conversely, others argue that an inexperienced firm requires similarity between their product and the foreign market requirements thus minimal modification is required (Douglas and Craig, 1989; Hill and Still, 1984). However, this research indicates, firms that offer standardised product require no international experience as long as they understand the environment of the host country and the requirement of the consumer. In addition, a firm that decides to enter the overseas market through low involvement modes involving low levels of control, such as export or license, may send its standardised product abroad without the need for international experience.

### **Host Country Context In Relation to the Degree of Standardisation**

Having summarised the research findings with respect to industry / firm context, it is appropriate to similarly review the finding in relation to the host country context. As previously, each variable will be considered individually.

The hypothesis that there is a high influence of political risk in the host country upon the degree of standardisation has been accepted. The statistical analysis shows that the relationship between political risk and the degree of standardisation is negatively significant ( $p < .001$ ). The reason could be the reputation of the country. As a consequence of a political conflict between two countries this will have influence upon the standardisation strategy. Most firms will adopt modification strategy as they will prefer to enter the country with low resource and low control (i.e. modified product and through agent). The result agrees with Anderson *et al* (1986) that when the overseas environment is politically unstable, the firm should select low control entry modes that help to avoid high resources commitment and increase strategic flexibility. On the other hand Chaudhari (1988) suggests that the selection of joint venture will be the favourite strategy at this stage because the home partner will take responsibility within the home market.

Economic development is found to be negatively significant at ( $p < 0.089$ ) and as such H5 is not supported. The result implies that the higher the economic development the lower the degree of standardisation. This case could be applied to the highly industrialised developed countries. On the other hand, the lower the degree of development, the more the international firm has to consider its standardised product. International firms involved in developing countries must pay attention to the specific segment that is the urban area where standardisation is appropriate. Alternatively, they must consider adaptation if electing to target segments encapsulated in rural areas (Hill and Still, 1984). This means that the urban areas of developing countries may demonstrate greater degree of commonality with industrialised countries in terms of segment characteristics than would rural segments of the same developing nation (Jain, 1989).

This suggests two points: firstly, in developing countries, international firms face fewer problems of being involved overseas through the adoption of a standardised strategy, assuming the surrounding environment of the host countries in terms of economic development is either similar to the international firm's environment, or it is easy to confront. Secondly, in fewer developing countries, the host country will try to create the right environment for international firms to satisfy their need for management skills, marketing knowledge, and hard currency. Therefore, economic development will not have an impact upon the two dependent variables based on the assumption that other variables are constant.

### **Summary and Future Research**

The purpose of this paper was to investigate and discuss the relationship between firm context (competition, international experience and firm size), host country context (political risk, economic development and culture difference) and the entry strategy seen in terms of standardisation/modification.

To investigate the research question six hypotheses were set to present the context dichotomously. Hypotheses one, two and three represent the industrial firm context in relation to standardisation, competition with negative relation and international experience and the firm size with a positive one. Hypotheses four, five and six represent the host country context, political risk and economic development with positive relationship to the degree of standardisation and the culture difference with a positive relationship to the degree of standardisation. Questionnaires were used to collect most of the data with exception of culture differences and the economic development. Cultural differences were measured according to Hofstede's work (1980) with specific modification for the purpose of this research. Economic development was measured according to the following four elements: infant mortality, GNP, level of education and energy consumption. The findings indicate the following: competition and political risk are negatively significant in relation to the degree of standardisation, whilst economic development and international experience are positively significant in relation to the degree of standardisation. Firm size and culture differences have no impact upon the degree of standardisation. Future research could duplicate this study using marketing process (referring to the assistance tools in programme development and implementation) as the results may differ for these variables. Future research could also build on this study to view other market entry strategies in comparison with the single company direct entry strategy and the internal environment of the organization especially role of the CEO and other decision makers in deciding these strategies

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