An empirical study of the relationship between marketing standardization and performance of Japanese firms in international markets: the moderating role of product strategy

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This study examines the relationship between marketing standardization and performance of Japanese firms in international markets. Additionally, it explores the moderating role of product strategy. Particularly, it focuses on Japan’s country image in foreign markets and suggests the best strategic fit for Japanese firms to enhance their performance in international markets. The research hypotheses are tested using regression analysis based on survey data from 118 Japanese manufacturing firms. The results show that marketing standardization is an effective strategy to enhance performance, especially when Japanese firms pursue a premium product strategy.

Key words: marketing standardization, performance on international markets, premium product strategy

1. INTRODUCTION

With globalization increasing its reach, formulating an effective marketing strategy for international markets has received significant academic attention (e.g., Lim, Acito, & Rusetski, 2006; Wei, Samiee, & Lee, 2014). Firms should choose strategies that best enable them to apply their limited resources to increase sales and maintain their competitive advantage in a global context (Schilke, Reimann, & Thomas, 2009).

So far, marketing standardization/adaptation is the most common framework for understanding international marketing strategies (e.g., Dow, 2006; Samiee & Roth, 1992). For around half a century, the debate on which marketing strategies are most effective for optimizing firm performance garnered interest in the international marketing field (Baba, 2012; Buzzell, 1968; Levitt, 1983; Zeriti, Robson, Spyropoulou, & Leonidou, 2014; Zou & Cavusgil, 2002). Some scholars argued in favor of standardization as an effective option (e.g., Schilke et al., 2009; Zou & Cavusgil, 2002), whereas others suggested that marketing adaptation leads to greater firm performance (e.g., Magnusson, Westjoh, Semenov, Randriansolo, & Zdravkovic, 2013). Given these mixed findings, researchers asserted that the most appropriate firm-specific marketing strategies depend on the conditions (e.g., products, policies, procedures, and international environments) that maintain firms’ competitive advantages (Morokami, 2000; Wei et al., 2014). The discussion that marketing strategies can increase performance if there is a fit between strategy and conditions is promising. However, previous studies on the degree of standardization of international marketing strategies have tended to explore a limited number of marketing mix components or have often focussed on companies based in the United States, thus preventing the generalization of findings (e.g., Griffith, Lee, Yeo, & Calantone, 2014; Theodosiou & Leonidou, 2003; Zeriti et al., 2014).

To partly address the bias towards companies from the United States of previous studies, this study instead focuses on Japanese firms and investigates the extent to which mar-
keting standardization affects these firms’ performance if it leverages Japan’s specific country-of-origin (COO) characteristics. Researchers have argued that international customers in foreign markets perceive Japanese firms to have a positive country-of-origin image compared to the firms from other countries (Bhuian, 1997; Magnusson, Westjohn, & Zdравкови, 2011). For example, Magnusson et al. (2011) found that consumers who perceive Samsung as a Japanese brand show a favorable attitude toward Samsung, based on Japan’s image as a country of technological progress and high quality. Moreover, Bhuian (1997) reported that Saudi Arabian consumers view Japanese firms as having the highest product suitability, appearance, and workmanship, thus leading to high consumer trust in the quality of Japanese products. Similarly, Laroche, Papadopoulos, Heslop, and Mourali (2005) showed that Japan’s country image leads to a greater affective attitude in the mind of North American consumers. This is because Japan has had a strong impact on the world economy, producing high-quality products in areas such as automobiles and consumer electronics. Additionally, Ahmed, D’Astous, and El Adraoui (1994) asserted that the COO image influences industrial buyers’ perceptions of product quality and purchase value. Consequently, we expect many international customers perceive Japanese products as having high value (i.e., high quality, credibility), resulting in positive customer attitude (Ahmed et al., 1994; Zhou, Yang, & Hui, 2010).

Additionally, in this study we explore product strategy as an important element for the effective implementation of marketing standardization (e.g., Acquaah & Yasai-Ardekani, 2008), and we suggest the implications of a product standardization strategy for the performance of Japanese firms in international markets.

Numerous conceptual and empirical studies identified the various conditions that affect the effectiveness of marketing standardization (Morgan, Kaleka, & Katsikeas, 2004; Tan & Sousa, 2013). Product strategy has been deemed the blueprint for how a firm will allocate its marketing resources and position itself in the market (Wei et al., 2014), and plays an especially critical role in providing a strategic fit to achieve competitive advantage (Brothers, Werner, & Matulich, 2000; Day, 1994). Hence, COO, as a resource of Japanese firms, may determine which types of product strategies are more acceptable and create the best fit.

The remainder of this paper is organized as follows. In the following section, we derive the research hypotheses based on previous research on marketing standardization and product strategy on international markets, as well as explore the theoretical background. Next, we present our methodology and results, followed by a discussion on the implications of our findings and suggestions for future research.

2. LITERATURE REVIEW AND HYPOTHESES

2.1 Marketing standardization and performance on international markets

Firms operating marketing programs in multiple markets encounter two opposing forces: standardization and adaptation (e.g., Dow, 2006; Theodosiou & Leonidou, 2003). Pursuing a policy of using uniform marketing mix variables across national markets becomes available to firms through marketing standardization (Schilke et al., 2009; Zou & Cavusgil, 2002). In other words, the homogeneous needs and preferences of consumers enable firms to implement similar marketing strategies across multiple countries. Moreover, firms can reduce production and marketing costs by standardizing their marketing programs (Zou & Cavusgil, 2002). Alternatively, they can use marketing adaptation to adjust established marketing programs to varying local conditions, such as consumer needs, cultural environment, and level of economic development (Theodosiou & Leonidou, 2003). By adapting marketing programs to local conditions, firms can meet specific local needs effectively and reduce the risks and uncertainties associated with unfamiliar foreign markets.

Several studies have identified the advantages of adopting a standardized marketing approach across foreign markets (e.g., Samiee & Roth, 1992; Yip, Biscarri, & Monti, 2000). First of all, Shoham (1999) and Theodosiou and Leonidou (2003) showed that substantial cost savings are realized by running the same marketing programs across multiple markets and firms can reduce the costs of simultaneously entering multiple markets by economy of scale in implementation of marketing programs. In addition, Neff (1999) and Zou and Cavusgil (2002) posited that marketing standardization decreases a product’s “time to market” by reducing the time needed to adapt to local specifications and enables firms to enter new foreign markets rapidly. Moreover, Yip (1995) and Ozkaz, Taylor, and Doh (2007) argued that the consistency of a marketing program across national markets averts any confusion for the consumers and builds brand awareness among consumer segments on the global markets. Furthermore, Özsomer and Prussia (2000) and Özsomer and Simonin (2004) suggested that marketing standardization enables firms to exploit superior products and operations on multiple markets.

Particularly, Japanese firms enjoy several benefits of marketing standardization, as numerous Japanese firms tend to market overseas technology-intensive rather than...
labor-intensive products. Generally, high-technology goods have short life cycles (Chang, 1995), and the firms may encounter cutthroat market competition. In this context, firms do better by pursuing a uniform marketing strategy across national markets because they can enter the market quickly and engage in swifter, more effective market positioning (Samiee & Roth, 1992).

Although the cultural distance between Japan and foreign markets may be large, Japanese firms could enjoy the benefits of standardizing their marketing programs by using logos or trademarks with Japanese characters (e.g., high-quality-oriented products). For Japanese firms, standardization would allow them to use this favorable image by means of extending domestic programs abroad, as to retain a consistent image worldwide. Therefore, we propose the following hypothesis.

**H1:** Marketing standardization is positively related to Japanese firms’ performance in international markets.

### 2.2 Moderating effect of the premium product strategy of Japanese firms

Marketing standardization cannot improve the performance of all firms equally (Katsikeas et al., 2006; Schilke et al., 2009). The effectiveness of an international marketing strategy depends upon a specific product strategy a firm pursues, since international marketing and competitive strategies must fit each other (Morgan et al., 2004). The concept of strategic fit provides the theoretical foundations for this assumption. In other words, the strategic fit paradigm asserts the necessity of maintaining a close and consistent relationship between the firm’s strategy and the conditions under which it is implemented (Katsikeas et al., 2006). The main proposition is that matching the strategy with the environment and/or organizational conditions leads to superior performance (Katsikeas et al., 2006; Tan & Sousa, 2013). We have the same view on strategic fit as previous research, especially on the fit between the degree of marketing standardization and use of a premium product strategy.

Product strategy relates to implementing a firm’s marketing programs directly to overseas markets (Acquaah & Yasai-Ardekani, 2008). According to Day (1992) and Brouthers et al. (2000), international product strategies can be classified along the price and quality spectrums into premium, value, and economy. A premium product strategy involves offering customers a relatively high-quality product for a relatively high price. This approach involves being distinct from competitors, for example, by providing customers with superior information, prices, distribution channels, and prestige (Campbell-Hunt, 2000). The competitive advantage of a premium product results from the product being different from the competitors’ and satisfying customer demand in the best possible way, thereby enabling the firm to command a premium price (Wirtz, Mathieu, & Schilke, 2007). Marketing standardization has comparatively more to offer firms targeting this objective and might thus be a strong performance driver (Okazaki et al., 2007; Shoham, 1999).

Previous research has consistently suggested that premium products are more susceptible to marketing mix standardization across international markets (Chung, 2003; O’Donnell & Jeong, 2000), as products with relatively homogeneous global demand are likely to be prime candidates for standardized marketing programs (Douglas, Craig, & Nijsen, 2001). Although premium consumer products that are culturally embedded, such as food and apparel, are more likely to thrive under localized marketing programs (Alden, Steenkamp, & Batra, 1999; Douglas et al., 2001), most premium products tend to meet common needs and preferences across multiple markets. As such, the decision-making processes for adopting premium products tend to be much less susceptible to local cultural nuances (Brouthers et al., 2000), as premium products tend to be used in similar settings and conditions globally. Therefore, when firms conduct standardized marketing programs in international markets, they can achieve greater standardization benefits (e.g., improving efficiency by a uniform marketing program), as well as differentiate products by pursuing a premium product strategy. Additionally, country image relates directly to the emotional value resulting from customers’ association of a brand with a country, as well as product beliefs and evaluations (Hamzaoui & Merunka, 2006; Kotler & Gertner, 2002). Specifically, consumers are willing to pay higher prices for products from a country with a good image (Agbonifoh & Elimimiam, 1999; Wang & Lamb, 1983). Regarding premium products, many customers are not price-sensitive. Therefore, firms and/or brands with good country images may enjoy several benefits (e.g., product differentiation, positive attitudes of customers, high profit margins) from adopting standardized marketing programs on foreign markets (Calantone, Kim, Schmidt, & Cavusgil, 2006; Laroche et al., 2005). Japanese firms, which have a highly valued country image, could enjoy high margins from premium products by using same marketing programs and emphasizing the COO component in foreign markets.

Further, it is important for firms to ensure the fit between marketing programs and product strategies. A company known for delivering one type of value might confuse customers if it communicates another type of value or makes
simultaneous inconsistent propositions (Porter, 1996). Therefore, firms should avoid increasing the perceived gap between country image and customers’ expectations. Marketing standardization is directly related to a uniform image in global markets (Zou & Cavusgil, 2002). When customers buy global products rather than domestic ones, they expect superiority and high value (Inoue, 2013; Laroche, Kirpalani, Pons, & Zhou, 2001). Particularly, customers buying Japanese products may expect relatively high quality and price. A low perceived gap between customers’ expectations and Japan’s country image may thus enable Japanese firms to adequately position their premium products (Okazaki et al., 2007). Consequently, we posit that marketing standardization and a premium product strategy provide the best fit for the market positioning of Japanese firms. Hence,

H2: The positive relationship between marketing standardization and performance in international markets is stronger when Japanese firms pursue a premium product strategy.

3. METHODOLOGY

3.1 Sample characteristics

We randomly mailed questionnaires to managers in the export and/or foreign sales departments of Japanese manufacturing firms (i.e., firms with headquarters in Japan) with international operations. The research sample was selected from the 2015 Kaisha Shikihō corporate directory of Japan, which includes data on the corporate ratios of domestic versus foreign sales and covers consumer electronics and electronic components, optoelectronic and communication, biotechnology, medical, food, and textile. To increase the valid survey response rate, a covering letter explained the study’s objectives and the questionnaire content.

In total, 1,000 questionnaires were sent. There were 165 valid questionnaires for a response rate of 16.5%. Additionally, we excluded questionnaires with incomplete items. Consequently, 118 responses were used in the analysis. The sample distribution is shown in Table 1. The sample represents a diverse group of firms in terms of total sales, number of employees, product type, and number of exporting countries.

3.2 Measurement

We adapted validated scales from previous researches to measure the constructs. To minimize the discrepancies between the original and translated versions of the questionnaires, back translation was also conducted. The English versions of the scales were translated into Japanese by the first author, who is fluent in Japanese, and then back translated into English from Japanese by a bilingual professional. The questionnaire items were measured using a five-point Likert scale, from 1 (strong disagreement) to 5 (strong agreement). In line with the research focus, these measures assess respondents’ perceptions on firms’ strategies. The questions in the survey were also designed to capture firm-level variables, such as firm size and the production rate of original equipment manufacturing (OEM).

Table 1 Sample characteristics

<table>
<thead>
<tr>
<th>Product type</th>
<th>Frequency (%)</th>
<th>Annual sales (Yen)</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer durables</td>
<td>19</td>
<td>Below 10 billion</td>
<td>65</td>
</tr>
<tr>
<td>Consumer non-durables</td>
<td>20</td>
<td>~20 billion</td>
<td>24</td>
</tr>
<tr>
<td>Finished industrial products</td>
<td>36</td>
<td>~30 billion</td>
<td>11</td>
</tr>
<tr>
<td>Raw materials and parts</td>
<td>43</td>
<td>~50 billion</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~100 billion</td>
<td>5</td>
</tr>
<tr>
<td>Over 100 billion</td>
<td></td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of exporting countries</th>
<th>Frequency (%)</th>
<th>Employees</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 10</td>
<td>47</td>
<td>~500</td>
<td>21</td>
</tr>
<tr>
<td>~20</td>
<td>30</td>
<td>~1000</td>
<td>12</td>
</tr>
<tr>
<td>~50</td>
<td>30</td>
<td>~3000</td>
<td>31</td>
</tr>
<tr>
<td>Over 50</td>
<td>11</td>
<td>~5000</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~10000</td>
<td>17</td>
</tr>
<tr>
<td>Over 10000</td>
<td></td>
<td></td>
<td>16</td>
</tr>
</tbody>
</table>
3.2.1 Independent variables

We revised our multi-item measure of marketing standardization by adapting the scales of Samiee and Roth (1992), O’Donnell and Jeong (2000), and Schilke et al. (2009). To measure the degree of standardization, we developed a set of six items representing the following marketing program elements: product feature, product brand, advertising messages, pricing strategy, target market (customer segments) and distribution channel. These items were measured on a five-point scale, ranging from 1 (very different) to 5 (very similar). Respondents were asked to compare their home market with foreign markets.

We used two components to measure product strategy, based on Day (1990) and Brouthers et al. (2000). Day (1990) presented three discrete generic price/quality product strategies: (1) economy strategy (lower price and lower quality), (2) value strategy (lower price and higher quality), and (3) premium strategy (higher price and higher quality). To evaluate the degree of the product strategy, five items were used. We asked respondents to rate their firms’ degree of product quality and price compared with those of competitors and identity to what degree they felt customers perceived their product(s) as premium.

3.2.2 Dependent variables

We asked the respondents to evaluate their firm’s performance in terms of foreign market share growth, total sales growth, customer satisfaction, and foreign market entry over the past three years (O’Donnell & Jeong, 2000). We used two components to measure product strategy, based on Day (1990) and Brouthers et al. (2000). Day (1990) presented three discrete generic price/quality product strategies: (1) economy strategy (lower price and lower quality), (2) value strategy (lower price and higher quality), and (3) premium strategy (higher price and higher quality). To evaluate the degree of the product strategy, five items were used. We asked respondents to rate their firms’ degree of product quality and price compared with those of competitors and identity to what degree they felt customers perceived their product(s) as premium.

3.2.3 Control variables

We controlled for a number of factors that may influence firm performance; firm size, market turbulence, market similarity, market heterogeneity, and product type. Firm size was measured as the logarithm of the number of employees because this aspect generally influences a firm’s performance (Govindarajan, 1988; O’Donnell & Jeong, 2000). The number of employees was obtained from the 2015 Kaisha Shikihō corporate directory of Japan. Regarding the environmental dimension, we asked respondents to evaluate the extent of market turbulence within the specific context of their respective sectors. Market turbulence is defined as the extent of uncertainty inherent in the international markets in which the firm competes. This construct was composed of three items from Samiee, Jeong, Paie, and Tai (2003). The following three items were used for the evaluation (α = .772): (1) the technology in our industry is changing rapidly, (2) it is difficult to forecast new technological developments in our industry, and (3) we experience hostility (threats) from competitors in terms of R&D activities. In addition, we assessed market similarity using an adaptation of Chung’s (2003) scale. This study adapted items that are broadly related to international markets and can be adjusted for countries and industries to examine specific dyadic countries. Moreover, the market heterogeneity scale (α = .678) consisted of six items: (1) uncertainty about competitors’ new product introductions, (2) uncertainty about customers’ demand for new products, (3) changes in the composition of customers and their preferences, (4) intense competition in our industry, (5) customers’ preferences differ for each country, and (6) distribution structures differ for each country. Lastly, the product type was measured using a dummy variable, coded ‘1’ for industrial and ‘0’ for consumer products.

4. RESULTS

The internal consistency of the constructs was evaluated by using Cronbach’s α. As per Table 2, all scales indicate a reliability coefficient of 0.70, which is recommended (Nunnally, 1978). Moreover, we evaluated the convergent validity of the model constructs using confirmatory factor analysis along with three constructs (marketing standardization, product strategy, and performance) for 14 items. We used AMOS to perform structural equation modeling (SEM) (Anderson & Gerbing, 1988). The parameter estimates of the SEM analysis are reported in Table 2. Our assessment of the fit of the model (χ² = 119.864, d.f. = 74, p < .001; CFI = .92; TLI = .90; RMSEA = .07) supports the use of the proposed congeneric measurement model. The χ² /d.f. ratio is 1.6, which is less than the critical value of 3 identified by Carmines and McIver (1981). Although two items had low loadings, below 0.5, we retained all items to maintain comparability with previous research. The descriptive statistics and correlations are reported in Table 3.

Additionally, we used Harman’s one-factor test to empirically address the common method variance issue. If this issue were a concern, we would have expected a single factor to emerge from factor analysis or one general factor to account for most of the covariance in the independent and criteria variables (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). We performed a principal component factor analysis on the items (product strategy, firm performance, and standardization), and no general factor was apparent in the unrotated factor structure. An exploratory factor analysis of all scale items revealed four factors, explaining 63.15% of the variance in our study’s constructs, with the first factor accounting for 20.79% and the last contributing 8.24% to total variance. This suggested that our data were most likely not affected by common method bias.

H1 posits a direct relationship between global standardi-
zation and performance, which was tested by using multiple regression equations, one for each performance measure. As shown in Table 4, the results marginally support the hypothesis that standardization enhances firm performance (β = .168, \(p < .10\)).

We also expected that a premium product strategy would moderate the relationship between standardization and performance in international markets. We conducted regression with the independent and control variables, and then estimated a second regression equation that included an interaction term (marketing standardization \(\times\) premium product strategy variable). Specifically, it is hypothesized that the link between standardization and performance is positively moderated by a premium product strategy. The results confirm H2 (β = .190, \(p < .05\)).

### 5. DISCUSSION

We examined the relationship between marketing standardization and firm performance in international markets. The results suggest that marketing standardization positively enhances the performance of Japanese firms. Additionally, when Japanese firms pursue premium strategies in international markets, the positive effects of marketing

<table>
<thead>
<tr>
<th>Scale and items</th>
<th>Model estimates*</th>
<th>(\alpha)</th>
</tr>
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<tbody>
<tr>
<td><strong>Performance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign market share growth</td>
<td>.824</td>
<td></td>
</tr>
<tr>
<td>Total sales growth</td>
<td>.809</td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>.539</td>
<td></td>
</tr>
<tr>
<td>Foreign market entry</td>
<td>.827</td>
<td></td>
</tr>
<tr>
<td><strong>Standardization</strong></td>
<td></td>
<td>.720</td>
</tr>
<tr>
<td>Product feature</td>
<td>.632</td>
<td></td>
</tr>
<tr>
<td>Product brand</td>
<td>.619</td>
<td></td>
</tr>
<tr>
<td>Advertising messages</td>
<td>.590</td>
<td></td>
</tr>
<tr>
<td>Pricing strategy</td>
<td>.586</td>
<td></td>
</tr>
<tr>
<td>Target market (customer segments)</td>
<td>.524</td>
<td></td>
</tr>
<tr>
<td>Distribution channel</td>
<td>.367</td>
<td></td>
</tr>
<tr>
<td><strong>Premium strategy</strong></td>
<td></td>
<td>.740</td>
</tr>
<tr>
<td>Our customers are convinced that we offer better quality products than our major competitors</td>
<td>.743</td>
<td></td>
</tr>
<tr>
<td>The price of our products is higher than that of our major competitors</td>
<td>.455</td>
<td></td>
</tr>
<tr>
<td>Our customers evaluate our product as a premium product</td>
<td>.816</td>
<td></td>
</tr>
<tr>
<td>The quality of our product is better than that of our major competitors</td>
<td>.586</td>
<td></td>
</tr>
</tbody>
</table>

Note: * Completely standardized parameter estimates.
standardization on firm performance tend to be stronger. These findings demonstrate that a firm’s product strategy moderates the relationship between marketing standardization and firm performance. The hypotheses of this research were based on Japanese firm characteristics and country image, and the empirical evidence suggested it is effective to pursue more premium strategies alongside standardized marketing ones in international markets.

5.1 Study contributions

This study makes several contributions to both academic literature and managerial practice regarding marketing standardization in international markets by demonstrating that the strategic fit between marketing standardization and product strategy could be used to enhance performance on international markets, especially for Japanese firms. The economic effects of standardization and its relationship with product strategy have been confirmed separately by Western and Eastern firms in emerging markets (Campbell-Hunt, 2000; Morgan et al., 2004), and the current study bridged this research gap by examining the economic effects of marketing standardization on Japanese firm performance.

By identifying important organizational contingencies, our study clarifies the ambiguity that surrounds the performance consequences of marketing standardization. Especially we argued that the positive effect of marketing standardization on international performance could enhance when Japanese firms pursue a premium strategy. When firms implement common marketing programs across countries by standardization approach, they need to consider how they meet an expectation of foreign customers regarding to country of origin image. Because products made in Japan are well known as conducting superior quality and advanced technology in foreign markets (e.g., Bhuian, 1997; Magnusson et al., 2011), premium strategy could be the most effective way for Japanese firms in international markets to implement similar marketing programs with domestic marketing programs. Our results support that marketing standardization is a viable strategy under certain conditions.

5.2 Managerial implications

Our study has implications for both practitioners and firms in that it analyzed the types of Japanese firms for which standardization is particularly beneficial for better performance. The message this study offers to managers is that marketing standardization is more successful when it fits with the firm’s premium product strategy. Moreover, this study underscores the need to move beyond focusing on the direct link between marketing standardization and performance. To understand the conditions under which marketing standardization promotes firm performance, managers should thus consider a certain type of product strategy with regard to marketing standardization decisions. We demonstrated that a product strategy, especially a premium one, moderates the relationship between marketing standardization and firm performance so that the

<table>
<thead>
<tr>
<th>Table 4 Results of the regression analyses with interactions</th>
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<tbody>
<tr>
<td><strong>Control</strong></td>
</tr>
<tr>
<td>R&amp;D (log)</td>
</tr>
<tr>
<td>OEM</td>
</tr>
<tr>
<td>Environmental turbulence</td>
</tr>
<tr>
<td>Market similarity</td>
</tr>
<tr>
<td>Product type</td>
</tr>
<tr>
<td>Firm size</td>
</tr>
<tr>
<td><strong>Marketing strategy</strong></td>
</tr>
<tr>
<td>Standardization</td>
</tr>
<tr>
<td>Premium strategy</td>
</tr>
<tr>
<td><strong>Moderator</strong></td>
</tr>
<tr>
<td>Standardization × premium strategy</td>
</tr>
<tr>
<td><strong>R²</strong></td>
</tr>
<tr>
<td><strong>ΔR²</strong></td>
</tr>
<tr>
<td><strong>VIF</strong></td>
</tr>
<tr>
<td><strong>Incremental F</strong></td>
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</tbody>
</table>

Standardized regression coefficients are shown in the table.

* p < .10; ** p < .05; *** p < .01; **** p < .001 (two-tailed test) n = 118
standardization–performance relationship is strengthened when the firm pursues a premium product strategy.

5.3 Limitations and conclusions

This study has several limitations that also imply areas for further research. First, the use of one component to analyze a common marketing strategy limits the consideration of a specific marketing strategy for use in international markets. Recent research indicates that, although some firms adapt their advertisements and product types to international customers’ preferences, they standardize product functionality (Griffith, Chandra, & Ryans, 2003; Hultman, Robson, & Katsikeas, 2009). For example, SHISEIDO standardized its brand in developed and developing countries, but adapted its cosmetic products to the Chinese market (Inoue, 2013). This example suggests that companies may use a hybrid or mixed strategy in terms of standardization–adaptation for the different elements in the marketing mix. Therefore, we suggest further research to explore which standardized or adapted marketing mix components are most effective in improving firm performance in foreign markets.

Second, we focused on Japanese firms’ premium strategies. However, as Brouthers et al. (2000) proposed, various countries have different country images and individual strategies. For example, South Korean firms often pursue a value strategy, while Chinese firms are known for their economy strategy. Since the fit between the marketing and product strategies may change according to national context, the strategic fit should be tested on firms with different country images.

Third, some Japanese firms may have different price-quality strategies for different regions and products. Future studies should thus identify these firms and consider how the diversity of the product strategy affects the link between standardization and firm performance.

Fourth, we used a single respondent from each exporting firm, and the use of multiple respondents per firm may increase the reliability of the measures (Schilke et al., 2009).

Finally, the small sample size limits the generalizability of our findings. We suggest that larger datasets and more resources be allocated for data collection in future research. For example, as Lages, Abrantes, and Lages (2008) asserted, conducting face-to-face interviews is an appropriate approach to obtaining a high response rate.

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