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Adaptation/Standardization of SMEs' Marketing Mix Elements across borders

Dissertation

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Abstract

Nowadays, the globalization phenomena makes companies of every size think beyond domestic market. However, implement an international strategy that is efficient is not a simple task for firms. Indeed, companies have to respond to market specific context while they have different characteristics. In the literature, with regard to the adaptation/standardization of the marketing mix, most of the researches have built their theories upon the analysis of multinationals' cases. Little attention has been paid on the cases of SMEs although in different topics of interest it has been seen that these two types of companies do not behave exactly the same ways. Therefore, this thesis aims to find the reasons affecting the SME's decision of adapting/standardizing the marketing mix and how do they proceed to do so.

A qualitative research has been done with one Belgian small-medium enterprise (Bruyere) that evolves in the chocolate industry and more precisely in the market of pralines. The data gathered, thanks to the interview of two managers of Bruyere, are structured with the theoretical framework beforehand developed. The analysis and discussion section contrasts and compares the theoretical framework and the data gathered.

The research brought specific and significant findings about the small-medium Belgian enterprise (Bruyere). Beyond general factors affecting their decisions either to adapt or standardize the element of the marketing mix strategy across nations, in this case, we found that managers have to build strong relationships with their partners across nations, take into consideration the nature of their product when deciding the strategy of adaptation/standardization and be flexible for their partners' requests.

Key Words: Marketing mix, adaptation, standardization, SMEs, internationalization.

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Introduction

Background

In the past the research on the international strategy often focused exclusively on the big size companies because lower size SMEs (small and medium enterprises) do have less resources and market power than traditional multinational enterprise. However, the actual trends, the globalization of market, has enhanced transportation and communications technologies which facilitate opportunities in international markets for SMEs (Oviatt and McDougall 1994). Nowadays, think through the domestic market of the company is over. Even for the small to Medium Size Company think across borders, both physically and electronically, is becoming increasingly fundamental to be successful. As Lu and Beamish mention (2001, p. 565) “the internationalization of SMEs can be expected to gain further momentum because the world economy is becoming increasingly integrated with continued declines in government-imposed barriers and continued advances in technology. Lu and Beamish (2001) assert that growth by internationalization is an important strategy not only for multinational firm but also for small and middle enterprises. These authors (2001) also state that researchers have mainly focused on studying the international diversification of large companies.

Companies that are eager to develop themselves abroad, in different markets, encounter different cultures (defining these new markets), which may sometimes be totally different from their domestic market. Nevertheless different markets can be very similar, with only a few differences (legal variables, some habits, expressions...). In order to succeed and act effectively in more than one market (meaning that they deal with several cultures), firms must constantly juggle with adapted or standardized strategies. Vrontis et al. (2009, p.479) claim that “within the field of international marketing, when a company decides to begin marketing products abroad, a fundamental decision is whether to use a standardized marketing mix with a single marketing strategy in all countries, or to adjust the marketing mix to fit the unique dimensions of each potentially unique local market”. However, some scholars are more qualified. Indeed, Doole and Lowe (2012, p. 191) mention “firms manage incompatible requirements by using strategies that are appropriate to their own situation, and striking a balance between the different degrees of standardization or adaptation of the various elements of international marketing process”. As mentioned above going global means facing other cultures and standardization and adaptation are drivers leading to the worldwide strategy options (Doole and Lowe, 2012). Vrontis et al. (2009) state that it is irrational for companies to attempt complete homogenization of their marketing mix, except under clearly defined sets of circumstances and certain products categories. Thus the success of SMEs under globalization depends in large part on the strategy implemented in responses to the challenges and opportunities based by the business environment.

Problem/Research Question

Most of the researches made so far have focused on the standardization and adaptation of multinational companies. Therefore, the strategies used by SMEs have received little attention from scholars. Ryans et al. (2003) state that in the last 40 years there has been more and more academic research that have been driven by scholars within the field of international marketing standardization. Levitt (1983) asserts that multinational firms that concentrated on idiosyncratic consumer preferences have become “befuddled and unable to take in the forest because of the trees”. Vrontis and Thrassou (2007, p. 8) argue, “for a multinational company to be successful it should incorporate ingredients of both strategies, adaptation and standardization.” These authors (2007) also affirm that if MNCs want to act effectively and get benefits as much as possible from both approaches, they should strive to standardize various marketing mix elements and marketing strategies but, at the same time, to adapt in order to keep a marketing orientation. Moreover, as Schmid and Kotulla (2011, p. 499) mention that “only a very limited number of articles provide hypotheses regarding performance-enhancing strategies which are deductively derived from a clear definition of performance, namely, profit.” Besides this phenomenon, researches do not take into account the concept of situation-strategy suitable for performance-enhancing strategies in certain situations. Therefore, most of theory grounded recommendations are not situation specific. Vrontis and Kitchen (2005) assert that studies conducted regarding standardization comprise all the elements of the marketing mix (Product, Price, Promotion and Place). However, researchers have mainly focused on two elements of this mix: promotion and product. Szymanski et al. (1993) state that in order to know if the relationship between performance and competitive strategy variables is the same across each national market, multinationals should understand the nature of this relationship. These authors (1993, p. 1) also assert that “making effective decisions relating to strategic orientation, resource allocation across strategic variables, and strategy content with respect to individual marketing mix elements can be viewed as being contingent on manager’s understanding of relationships among different elements”. Szymanski et al. (1993) affirm that these elements refer to strategic levers (such as marketing mix and other strategy variables that impact the performance), industry levers (i.e. industry structure influencing the performance of the firm), firm drivers (characteristics of it) and business performance. However, as mentioned above, little attention from researchers has been made on the behavior of SMEs with regard to the use of adapted or/and standardized marketing strategies for performing well across borders. Whether SMEs behave like multinationals needs to be studied and this thesis will try to bring new information as for the field of research. Consequently, our research question is the following one: why and how do SMEs adapt and/or standardize their marketing mix elements to foreign markets?

Purpose

Based on the discussion above, we want to find the reasons affecting the SME’s decision of adapting/standardizing the marketing mix and how do they proceed to do so. In order to achieve this goal, we are going to analyze why and how they adapt and/or standardize this marketing strategy.

Delimitation

This thesis is limited to investigating the behavior of SMEs regarding the adaptation or/and standardization of their marketing mix in order to perform in non-domestic markets. In order to do so, we will conduct this research through a case study of the company “Bruyere” which is a Belgian chocolate maker specialized in the creation of pralines. The definition of SMEs made by The European Union (as quoted in Doole and Lowe, 2012) defines a SME as a firm employing less than 250 staff. Therefore, the choice of Bruyere, with its 150 staff, was perfectly convenient for our study. Moreover, as we are also Belgians we have had easier contacts with the representatives of the company. Another reason that pushed us to select this enterprise is that they are already present in 27 countries including Sweden. Due to that we have reckoned that it was suitable for analyzing the different marketing mix that they apply for each market.

Literature Review

In the past decades, the international marketing strategy consisting of adaptation or standardization has been largely studied. In international marketing and international business research, more than 300 articles addressing this issue have been published over a period of almost 50 years (Schmid & Kotulla, 2011).

In the international marketing literature, the desirability of pursuing a strategy of standardization of marketing mix and other competitive strategy variables across national markets versus adaptation to individual national markets has been debated extensively (e.g., Ghoshal 1987; Levitt 1983; Walters 1986; Wills, Samli, and Jacobs 1991; Wind 1986; Yip 1989). Vignali and Vrontis (1999) state that this debate started in sixties when advertising and the need for international standardization was at the heart of the debate (Kanso and Kitchen, 2004). Multinational companies (MNCs) wanted a common advertising approach for promotional campaigns. Then these debates expanded from advertising to the promotional mix and now investigate the entire marketing mix (Schultz and Kitchen, 2000; Kanso and Kitchen, 2004; Kitchen and de Pesöacker, 2004). The standardization/adaptation of firms' international marketing, including their product, pricing, distribution, and communication strategies, has always been a central issue for international business scholars as well. In particular, questions of international marketing standardization/adaptation are crucial for the firm's overall internationalization strategy and structure. Furthermore, in their internationalization process, firms not only have to find the right approach toward globalization, regionalization, and localization of their business activities in general (Schmid & Kotulla, 2011), they also have to transfer this approach to the level of their marketing strategies. Buzzell et al. (1995) affirm that thanks to standardization multinational companies may gain potential benefits.

On one hand, the supporters of standardization claims that consumers needs, wants and expectations do not vary significantly across markets or nations. Jain (1989) states that one of the main reasons for using the strategy of standardization is the fact that the world is becoming more and more homogenous (thanks to advanced communications and technologies). Therefore, tastes and consumers' wants are becoming more and more similar worldwide. Levitt (1983) argued that standardization of marketing mix, then the creation of one strategy for the global market, offers economies of scale in production and marketing. Zou and Cavusgil (2002) affirm that the similarity of demands (due to this homogenous world) combined with the lowering of barriers and convergent cultures make it possible for firms to offer more standardized products and apply a more standardized marketing mix. Papavassiliou and Stathakopoulos (1997) and Levitt (1983, 1986) assert that there are four reasons explaining this benefits of standardizing on common segments for multinational companies. First, standardization helps the company to keep a consistent image and identity on a global basis; second, it reduces confusion amongst buyers who travel frequently; third, thanks to it the MNC can develop a single advertising campaign for different markets; and finally it allows the firm to save a lot of money by using economies of scale in production. However, even though economies of scale enable the firm to reduce its costs, cultural and socio-economic differences among countries may impede the standardization strategy, because sometimes the market targeted requires adjustments (Kogut, 1989). Moreover,

Chung (2007) asserts that the starting point when it comes to standardizing market operation is the comparison between the market operation in the domestic market and the one in the new market.

On the other hand, supporters of adaptation indicate difficulties in using a standardised approach and therefore support market tailoring and adaptation to fit to the unique expectation of different international markets (Thrassou and Vrontis, 2006). Vrontis et al. (2009, p. 481) say that “these supporters of international adaptation assert that marketing mix elements cannot be standardised, as international markets are subject to differential macro and micro-environmental factors, constraints and conflicts.” It appears that insurmountable differences between countries and even between regions in the same countries force firms to adapt elements of their strategies (Papavassiliou and Stathakopoulos, 1997). Furthermore, Samiee and Roth (1992) state that variables such as differences in the range of distribution channels, viability, financial resources, communication costs, know-how intermediaries and media habits can cause some troubles as well. When a firm is moving to a new market, it is argued that marketers are subject to a number of macro-environmental factors, such as climate, race, topography, occupations, taste, law, culture, technology and society (Czinkota and Ronkainen, 1998). Other cultural aspects are important according to Paliwoda and Thomas (1999): consumer tastes, disposable income, taxation, nationalism, local labour costs, literacy and levels of education. The adaptation answers the following question: how do firm adjust marketing strategy and tactics (marketing mix elements) in order to fit market requirements. According to Cavusgil et al. (1993) the degree of adaptation of the product and promotion depends highly on four elements: firm’s characteristics, product and industry’s characteristics and the foreign market’s characteristics. Vrontis (2003) argues that large companies should focus on both strategies: on one side they should consider the facets that allow standardization; on the other side, they should take into consideration those requiring a local adaptation. In other words, Vrontis and Kitchen (2005) point out that they should standardize the elements that bring benefits and adapt those that meet the needs of the local consumers.

However, many authors reject these two extreme schools of thoughts. Indeed, lots of them claim that the importance is not to know which strategy is the best but they stress the necessity to combine both adaptation and standardisation (Vrontis et al., 2009). These authors (2009, p. 482) state, “it is not an all or nothing proposition, but a matter of degree”. Brei et al. (2011, p. 279) argue that “the heterogeneity of the markets does not allow total standardization, and the high costs of adaptation do not allow its use for the whole marketing mix.” The performance of any implemented strategy depends on the good synergy existing between the situation (internal and external factors) and the strategy implemented (Parnell et al., 1996).

In this research the situation is specific to SMEs because despite their importance in today international business limited research assessed the degree of adaptation/ standardization and its linkage to marketing strategy, tactics, and corporate performance in such firms. Nonetheless The size of the company can be an indicator when they have to implement their marketing strategies. Gilmore et al.(2001) state that it is well documented that SMEs have unique characteristics that differentiate them from conventional marketing in large organisations. Roughly, Doole and Lowe (2012) define a small or medium enterprise as a firm employing less than 250 people. However, these authors do not mention that there is a second characteristic for a firm to get the status of SME. The European Commission (2013) has defined a SME as the initials standing for small and

medium-sized enterprises. The European Commission (2013) states that the two main factors for being categorized as a SME are the number of employees and the turnover. Indeed, a SME is every firm that employs less than 250 staff. A venture will be considered as small enterprise if less than 50 people are hired within the organization whereas the term used for a medium enterprise refers to an organization that employs less than 250 persons. The turnover is the other factor defining what the status of the firm is. If it is less than 10 millions euros, the company is characterized as small while if the turnover is less than 50 millions euros it will be a medium-sized enterprise (European Commission, 2013). Consequently, SMEs have to face the global market with more financial and human resource constraints than MNCs. Indeed Knight G. (2000) argues that SMEs lack the capabilities, market power, and other resources (such as finance, human, time, marketing knowledge) of the traditional multinational enterprise. In addition, the way that SMEs do marketing is more hazardous because owner manager make most decisions on their own. Response to current opportunities and circumstances are made according to personal and business priorities at any given point in time (Gilmore et al., 2001). Thus these limitations affect marketing characteristics of SME, their marketing is shaped by their limitations. Consequently Knight G. (2000) states that “SME marketing is likely to be haphazard, informal, loose, unstructured, spontaneous, reactive, built upon and conforming to industry norms”. As Meyer and Bernier (2010) assert that companies of different sizes could have different strategies when it comes to adaptation/standardization of the marketing mix. Doole and Lowe (2012, p. 139) mention that “in many countries this has left the small-and medium sized firms sector as the only significant growing source of wealth and employment”. This shows us that the case of SMEs is worth to study. Furthermore, most of the literature in the field of research has been focused on the strategies used by multinationals while few attentions has been done on the marketing strategies of small and medium-sized companies even though more and more SMEs sell abroad (Larimo and Kontkanen, 2008). Due to the complexities of operating under globalization, only the implementation of the right strategies leads to the SMEs success.

Due to the examined facts in this section, we have identified an issue. It consists in missing investigations about the understanding of the reasons and of the development of marketing mix strategy that deal with standardization or adaptation when SMEs settle across nations. Facing this relevant gap, the identification of why and how SMEs adapt and or standardize their marketing across is relevant.

Theoretical Framework

Thanks to the theories specifically chosen for the subject of the paper and presented in this chapter, we have linked characteristics of the situation affecting the reasons that lead to the Standardization/Adaptation of the marketing mix. Therefore, we have designed the following figure identifying why and how SMEs adapt and/or standardize their marketing mix across nations.

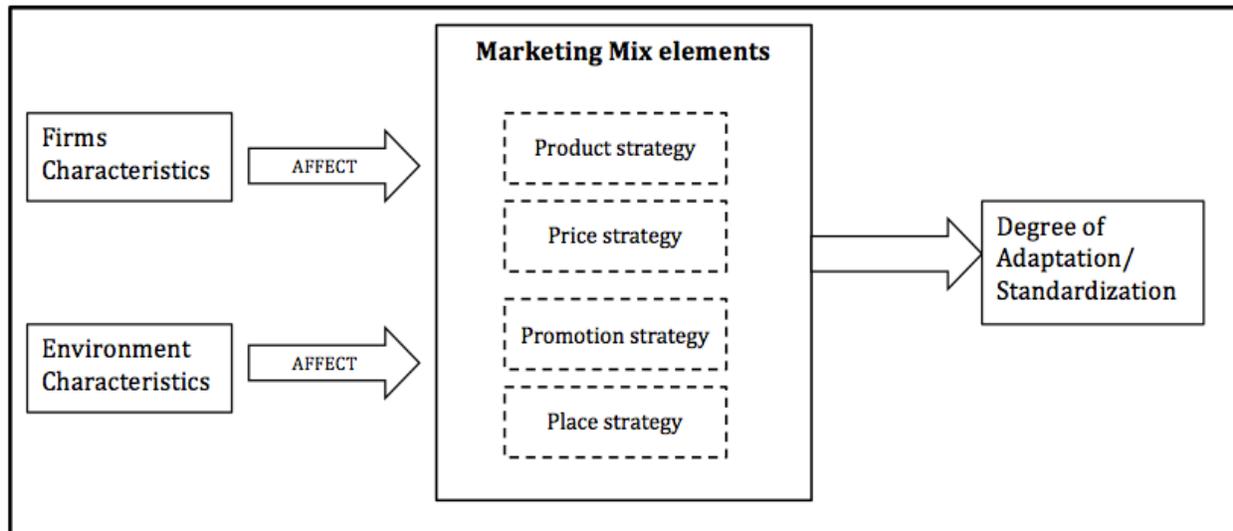


Figure 1 : Marketing mix elements affected by situational factors

We rejoin Theodisou and Leonidou (2003) stating that firms have to standardize or adapt their product if they are in a given situation. On one hand, Hultman et al. (2009) argue that firms have to increase the degree of standardization of their marketing mix when facing following situations: cost leadership strategy, high degree of cross national coordination of marketing activities, high number of foreign markets operated, high product homogeneity or large firm size. According to this idea the standardization of the marketing mix seems more appropriate for MNCs than for SMEs. On the other hand, Schilke et al. (2009) state that firms have to increase the degree of adaptation of their marketing mix when facing following situations: high cross national differences in the economic and sociocultural macro-environments, high cross-national differences in the marketing infrastructure and stage of the product life cycle, specific experience with the export venture market or long duration of the export venture. When it comes to define more precisely which variables have to be adapted or standardized, Chung (2009) says that firms have to standardize their product strategy and pricing strategy across nations if there is a high level of similarities in the cultural and economic environments and Sousa and Lengler (2009) add that firms have to adapt their product and promotion strategies to foreign countries when there is high cross national differences but firms have to standardize their price and promotion strategies across nations. Different situations imply different marketing mix strategies. According to Theodisou and Leonidou (2003) the market environment is a major situational aspect that has to be taken into consideration. Firm's characteristics can be investigated deeper with regard to their impact on the firm's behavior when they have to implement a strategy across nations. We reckon

that the firm, before choosing any strategy (adaptation or standardization), analyzes the situation. This situation is characterized by two types of factors: firm and environment's characteristics. Thanks to this analysis, the company will be up to know why they should more adapt or standardize their marketing strategy; this investigation will bring the enterprise the reasons for choosing either strategy. As soon as they have decided, they will implement these strategies in a certain way. This shows us how they proceed to implement the strategy.

Marketing Mix Elements Adaptation/Standardization

Elements of the marketing mix (product, pricing, promotion and distribution) are involved in the marketing strategy and when considering international marketing, the marketing mix strategy is affected by the decision to standardize or adapt depending on the context, the situation of the foreign market (Cavusgil and Zou, 1994; Douglas and Craig, 1989). Cavusgil, Zou and Naidu (1993) and Jain (1989) state that the degree of adaptation versus standardization depends on the firm, product, market and environmental characteristics. Consequently, the marketing mix strategy is determined by the degree of adaptation or standardization of the marketing mix elements required in each foreign market (Cavusgil and Zou, 1994). We consider the most popular definition of marketing mix that includes four elements: Product, Price, Promotion and Place (or distribution). For each element there is a set of decision elements that defines the company's offer to its target market (Brooksbank, 1994). First, the Product-element is composed by general product strategy, its quality, its name, its features, its design/styles, its position, its packaging, the services related to it and the different guarantees offered for it (Brooksbank, 1994). Secondly, the Price-element refers to general pricing strategy, the list of prices (retail and wholesale price), the discounts proposed by the company, the allowances offered, the credit proposed, pricing method (Brooksbank, 1994). Thirdly, the place concerns distributors, retailers, distribution channels, locations, inventory and transport (Brooksbank, 1994). Sholam (1996) asserts that the adaptation of the distribution positively affects the performance of the firm. Fourthly, the Promotion-element, this latter relates to general promotion strategy, advertising, personal selling, sales promotion, public relations and direct mail, message/theme, advertising/communication budget (Brooksbank, 1994). Firms wishing to expand their international presence, their sales, and their profitability have to face a fundamental strategic decision. They decide to standardize and implement a single marketing strategy in all countries or to adapt and implement an appropriate marketing mix strategy in order to fit the specific needs and expectations of the local market. We follow the statement of Vrontis & Kitchen (p. 90, 2005) "an extreme adaptation or an extreme standardization is rejected by various authors who highlight the difficulty in applying them in practice and stress the importance and necessity of both adaptation and standardization to be used simultaneously". Marketing strategy is situation specific, as it has already been demonstrated, the same strategy can lead to high performance in one situation and low performance in another (Theodosiou & Leonidou, 2003). Thus, we claim that strategies are situation dependent.

Situational Factors Affecting Adaptation/Standardization

Situational factors favoring standardization versus factors favoring adaptation have been summed up by Hollensen (2001, p.393). The factors favoring standardization are a willingness to make economies of scale in R&D, production and marketing; global competition, homogeneous consumer's preferences; centralized management of international operations; standardized concept used by competitors. In opposite the factors favoring adaptation are the local environment influences; local competition; heterogeneous consumers' needs; fragmented and decentralized with independent country subsidiaries; and an adapted concept used by competitors. About the situation Solberg (2002) states that the more managers know about the local market, the more they can see the similarities and thus the more they can standardize the marketing mix. Therefore, he (2002) asserts that firms should not standardize without thoroughly understand the foreign market. Factors from the situation give managers reasons to adapt more or standardize more each element of the marketing-mix in order to fit the marketing strategy across nations. This leads to a marketing mix that will have a certain degree of adaptation and standardization depending on the situation. As a consequence, a marketing mix that combines standardized and adapted elements to the situation as effective as possible will positively affects the business in the foreign market (Solberg, 2002). Schmid and Kotulla (2011) claim that managers of firms make their decisions depending on the perception of the firm's situation. In order to understand how specific marketing strategy of standardization/adaptation are, we must consider situational factors that influence the strategic decisions of managers of SMEs. According to Schmid & Kotulla (2011) the major situational factors, strategy element and performance variables analyzed in research on international marketing standardization/adaptation are:

- Environment-related factors: cross national similarity in the economic, social, cultural, political, legal, physical and technological environments.
- Market related factors: cross-national similarity in marketing infrastructure, distribution infrastructure and advertising media availability.
- Consumer-related factors: cross-national similarity in competition; structure, nature, and intensity of foreign competition
- Product related factors: country of origin, nature of ownership, organizational structure, firm size, foreign sales, and foreign market share.
- Management-related factors: international commitment, international experience, marketing experience, decision-making aspect, foreign market entry mode.

O'Cass and Julian (2003) assert that internal and external factors influence the marketing mix of companies that sell abroad. We assume that internal factors can be viewed as firm's characteristics and external factors as environmental characteristics. Two factors influence the characteristics of a specific situation: the firm's characteristics and the environment's characteristics. Indeed, marketing performance is influenced by both firm and environment traits (O'Cass and Julian, 2003). From their study, other findings indicate that the firm's resources influence managers' choice of marketing strategy. O'Cass and Julian (2003) claim that these resources allow companies to fulfill the needs of the foreign market. By analyzing on one side the firm's attributes and on the other side the environment's ones, the manager can have an overview of the situation. Once he is aware of it, he knows what are the factors that will have an impact on the elements of the marketing mix.

Firm's Characteristics Affecting Marketing Mix Elements Adaptation/Standardization

Firm's specific characteristics that can influence marketing performance have to be taken into consideration according to O'Cass and Julian (2003). They suggest that firm-specific characteristics such as channel support, small size firm, and an unique product are associated with more adaptive marketing mix strategies, whilst the larger the size of the firm the more likely it is to adopt a standardized marketing mix strategy approach. In our case, firm's characteristics are included in the situation part. Regarding the elements making up the firm's characteristics, we rejoin O'Cass and Julian (2003) to claim that these traits refer to "product uniqueness, international experience of the firm, supportiveness and resource commitment".

Cavusgil, Zou and Naidu (1993) assert that there is a positive relationship between the uniqueness of the product and the adaptation of the packaging, labeling, positioning and promotion of the product. Cavusgil and Zou state (1994) that the product and the promotion become more adapted if the uniqueness of the product increases. Cavusgil and Zou (1994, p. 13) affirm that the uniqueness of the product "exerts indirect influences on the export performance through export marketing strategies." These same authors argue that a high degree of product adaptation is found when the product is unique. "A product that is unique to the domestic market could have limited acceptance in the export market" (Cavusgil and Zou, 1994, p. 15). Moreover, Douglas and Craig (1989, as cited in O'Cass and Julian, 2003, p. 369) say "a unique product provides a firm with a differentiation advantage that other firms in a competitive market may find difficult to challenge or overcome resulting in higher performance than standardized product." Terpstra and Sarathy (2000) assert that this differentiation advantage may come from a better quality, more durability, better service and so forth.

The international experience consists of the international commitment, the foreign sales and the foreign market shares of the firm (O'Cass and Julian, 2003). Zou and Cavusgil (2002) state that firms need a long international experience in order to standardize their product, pricing and communication across nations, they argue that "experienced international firms are more likely to identify strategic markets to enter, respond to changing global market environment, and take advantage of the differential comparative advantages of various countries" (Zou and Cavusgil, 2002, p. 46). The success of the strategy implemented across nations is affected by a relevant international experience. Due to its international experience, a company is competent because its managers know the differences in environmental conditions and they are more likely to select the most attractive market for the firm and adapt the marketing strategy to accommodate the specific needs of the market (Cavusgil and Zou, 1994). These authors claim also that the degree of product adaptation is positively influenced by the firm's international experience. Douglas and Craig (1989) claim that thanks to its international experience, a company understands the idiosyncrasies of the export market and is able to respond to the local conditions by adaptation strategy. Larimo and Kontkanen (2008) indicate that when managers of a SME have more international experience, they are more able to analyze the market situation, the customer's needs, the alternative distribution channels and so forth. Moreover, these same researchers argue that the more international experienced the managers are the more they are able to plan the potential or needed adaptations to various marketing mix elements. We agree with Zou and Cavusgil (2002) and O'Cass and Julian (2003) that researchers should take this factor into account when they investigate global marketing issue.

By “supportiveness”, O’Cass and Julian (2003) refer to “support provided to the distributors” which means the promotion support and training provided to the sales force of the firm’s distributors in the market targeted. O’Cass and Julian (2003) argue that the support of channel members is critical for marketing strategy across borders. Furthermore, supportiveness represents also the fact that partners across nations can reach better marketing performance if they offer a product that has been adapted to respond to the local market needs (O’Cass and Julian, 2003). Douglas and Wind (1987) and Cavusgil and Zou (1994) assert that the more supportive a firm is, the more a firm internationally competent is and that supportiveness leads to adaptation that leads to optimal results of the marketing strategy. Cavusgil and Zou (1994) indicate that supporting a distributor in the export market can lead to a cooperative partnership between the manufacturer and the distributor. Rosson and Ford (1982, as quoted in Cavusgil and Zou, 1994) affirm that cooperation in the export channel will lead to effective implementation of marketing strategy and better performance.

Resource commitment refers to the extent of management commitment in the foreign market, the extent of careful planning provided by the company and the amount of resources that the firm allocates to develop its business in the foreign market and for the support provided to the distributors. The resources that firms commit depend on the availability of resources and it constitutes its source of sustainable competitive advantage (Day and Wensley, 1988). Possession of resources such as international experience (Douglas and Craig, 1989), size advantages (Reid, 1982) and resources available for export development (Terpstra, 1987) enables the firm to identify the idiosyncrasies in the export markets, develop the necessary marketing strategy (adaptation or standardization) and implement them effectively, thus achieving higher export marketing performance (O’Cass and Julian, 2003).

Environment’s Characteristics Affecting Marketing Mix Elements Adaptation/Standardization

Concerning the characteristics of the environment, we rejoin O’Cass and Julian (2003, p. 367) indicating that environmental characteristics relate to “competitive intensity, market characteristics, channel accessibility and customer exposure to the product/service”. However, we only rejoin them for the two first factors. We agree with Schmid and Kotulla (2011), claiming, as previously mentioned, that distribution infrastructure and media availability refer to situational factors.

Market characteristics represent the macro environment and microenvironment (O’Cass and Julian, 2003). The macro-environment is related to the legal, political and regulatory nature of the market, the extent of government intervention into the operation of the export market venture (O’Cass and Julian, 2003). Micro-environment refers to industry’s characteristics (Cavusgil, Zoy and Naidu, 1993), similarity of the foreign market with the domestic market, the degree of exposure of the product in the export market and the familiarity of customers to the product in the export market (O’Cass and Julian, 2003). The industry characteristics concern the price competition in the foreign market, the competitive intensity (O’Cass and Julian, 2003). Firms have to adapt their marketing strategies to foreign countries in the following situations: High cross-national differences in the political/legal macro-environments and in industry characteristics (O’Cass and Julian, 2003). According to Cavusgil and Zou (1994) environmental

conditions lead competent firms (firms that have experience) to select the most attractive and adapt the marketing strategy to accommodate the specific needs of the market characteristics. Douglas and Craig (1989) argue that firms without experience seek the similarities between the firm's home market characteristics and the foreign market conditions in order to adapt a minimum. If a cultural-specific product is exported, ventures have to take into consideration that the cultural base from which the product is made may not fit with the cultural base in the foreign market. In this case, Cavusgil and Zou (1994) state that the product must be adapted to the cultural needs of the market abroad. Following this idea, Hultman et al. (2009) claim that companies must adjust the product to the elements of macro-environments in order to become legitimated across nations because they (2009) indicate that companies should not forget that there are differences between countries which can be an obstacle to the implementation of a standardized product. However when a product can match with universal needs, a standardized strategy have to be implemented (Cavusgil and Zou, 1994). Katsikeas et al. (2006) take a similar approach by showing that firms have to standardize their marketing strategies across nations if, for example, regulatory conditions, consumer characteristics are homogeneous across borders. Authors claim that cultural differences amongst countries prevent a standardized approach to international advertising (Ryan, 1969; Sommers and Kernan, 1967 as quoted in Solberg, 2000). Studies, those take into consideration the situation to fit to the given market, support the importance of adapting brand images to foreign countries if there are cross national differences in cultural and socioeconomic market conditions (Schmid and Kotulla, 2011). The more different the culture is from the home country, the greater the differences are in terms of consumers' preferences, buying habits, reactions to communication. Therefore, the greater the need is for adapting the various marketing mix elements (Larimo and Kontkanen, 2008). According to Leonidou et al. (2002) adaption strategy is suitable for matching the customer's satisfaction because a better product market satisfies more the consumer. Concerning the promotion strategy, Cui and Yang (2009) suggest that it should be adapted to enhance the responsiveness to the promotions by foreign consumers across nations depending on the the similarities in the customers' consumptions behaviors.

When promoting across nations, media availability in the foreign market seems to be an important variable in the environment characteristics (Theodosiou and Leonidou, 2003). Media availability is seen as a raison to adapt the marketing strategy across nations. In fact availability of public relations agencies and media support abroad affect the standardization/adaptation of the marketing strategy.

By competitive intensity they refer to the level of competition in the market. Cavusgil and Zou (1994, p. 11) state that "the intensity of the competition in the export market could force firms to seek a high degree of product and promotion adaptation to gain a competitive advantage over rivals because adaptation of product and promotion can broaden the local market base and be geared to specific local preferences." Firms have to take into consideration the number, origin and approach of its major competitor in each market (Jain, 1989). According to Cavusgil, Zou and Naidu (1993) product and promotion adaptation are affected by an intense competition. In fact, they assert that competitive pressures on foreign markets may require specific adaptation or standardization in order to gain a competitive advantage. The performance of a company can be improved by a pricing adaptation strategy that fits to the characteristics of the foreign market (Samiee & Roth, 1992). Furthermore, Theodosiou and Katsikeas (2001) state that marketing a

product at a very high price without beforehand had taken into account the requirements of the market is inappropriate and ineffective.

Distribution infrastructure differences between home and host markets have been stressed by several studies (Akaah, 1991; Ozsomer et al., 1991; Quester & Conduit, 1996; Michell, Lynch, & Alabdall, 1998 as quoted in Theodosiou and Leonidou, 2003) in both wholesaling and retailing cases. Those authors also report that middlemen have different role to play from domestic to foreign market. It is due to variation in bargaining power, financial strength and marketing know-how (Theodosiou and Leonidou, 2003). A degree of adaptation of the physical distribution has to be made “as a result of differences in special documentation and ordering procedures required; availability of transportation facilities to carry goods to and within foreign markets, the number, type, and technology of the warehouses abroad; and the level of inventories needed to be maintained in overseas markets, usually determined by territorial size, infrastructural facilities, and purchasing/consumption habits”(Theodosiou and Leonidou, 2003). These same authors (2003) argue that a distribution infrastructure for international market requires continuous adjustments because market, competitive and transportation conditions are constantly changing. Sousa and Lengler (2009) claim that the strategy of standardizing the distribution may lead to a slowdown of the business performance due to the fact that distribution is highly context dependent. Indeed, they (2009) argue that distribution depends on the characteristics of the foreign market. Bianchi and Arnold (2004) say that retailing strategies that are adapted across nations help the firm to become legitimated abroad. Firms have to adapt their marketing strategies to foreign countries in order to reduce friction between headquarters and foreign subsidiaries (Shoham and Albaum, 1994, Shoham, 1996).

Methodology

Case study

A case study can be defined as “*an empirical inquiry that investigates a contemporary phenomenon within its real-life context and addresses a situation in which the boundaries between phenomenon and context are not clearly evident*” (Yin, 1993, p. 59, as quoted in Meyer, 2001). Moreover, Meyer (2001) asserts that the case study allows the researcher to use theoretical concepts for leading the research and helping to analyze the results. This author states that case studies entail either one or several cases. The kind of studies can easily encounter some problems of limitations. Indeed, when using one single case, researchers may be limited in generalizing the concepts found out from the analysis. Biases may appear when only one case is studied whereas the use of several cases enables researchers to reduce those risks of biases. However, in this thesis, we have decided to focus on a single case to understand deeper the problem in a company. Furthermore, we use a descriptive method to generate understanding about a situation.

Research Strategy

Bryman and Bell (2011), in their book regarding the different business research methods, state “*if we refer to the connection between theory and research, or to epistemological considerations or to ontological considerations, qualitative and quantitative research can be taken to form two distinctive clusters of research strategy*” (p. 28).

- *Qualitative Research*

Qualitative research is relevant analysis because researches are not often familiar with the foreign market investigated (Malhotra et al., 1996). Qualitative research can provide insights into the problem by revealing the differences between foreign and domestic markets and help in developing an approach. These authors also argued that qualitative research may help to reduce the psychological distance between the researcher and the respondent/context. Moreover, as Bryman and Bell (2011) state that supporters of the case study usually tend to utilize techniques such as unstructured or semi-structured interviews and participant observation which are specific to qualitative research. These authors also assume that qualitative research focus on words rather than figures in the process of gathering and analyzing data.

We have decided to undertake a qualitative research. Indeed, we would like to thoroughly investigate the data collection and not focus only on obtaining trends or statistical truth regarding the topic of interest (Hara, 1995). Indeed, this study emphasizes why and how SMEs have to adapt or standardize marketing mix elements when going abroad. In other words, this thesis does not focus on finding any statistical results testing the current theories (Bryman and Bell, 2011) but aims to find out as accurately as possible how the marketing mix is influenced by going across nations. Therefore, qualitative research has been conducted and results have been presented in words rather than in a numerical way. Since the research problem of this thesis is to

understand deeper the topic established we reckon that a qualitative approach will be more suitable for reaching the goal of this study. As we would like to see what are the reasons that force the SMEs to either adapt or standardize and as we want to know how they behave in order to do so, we chose to examine that through this strategy. In order for the respondents to describe how the company acts following certain factors, we have conducted face-to-face interviews.

- *Rigor of the Qualitative Research*

Many scholars claim that qualitative research is not clear in terms of reliability and validity of the findings (Appleton, 1995). Reliability and validity are two concepts very important when talking about qualitative research (Bryman and Bell, 2011). Moreover, Twycross and Shields (2005) assert that rigor is a concept linked to qualitative research. Lincoln and Guba (1985), in their work, have designed a model of trustworthiness of qualitative research. In this model, they assume that there are four elements of trustworthiness that are relevant to qualitative research: credibility, transferability, consistency and conformability (Thomas and Magilvy, 2011). Twycross and Shields (2005) state that the researcher can assure the credibility of the study through three ways: the use of prolonged data, the verification or member-checking and the theoretical verification. In this thesis, we have checked the credibility of our research by using a theoretical framework. This framework will simplify our analysis and explain more easily what force the SMEs to adapt or standardize and how they behave. Furthermore, this model will just help us to understand the research problem. Moreover, we have gained new knowledge about the topic of interest thanks to the reading of previous studies. This helped us for creating our own model and that has been used as a support in the collection of our data.

Case selection

As previously mentioned, we have decided to analyze only one company. This choice is due to the fact that we want to deeply investigate and understand the problem; and thus focus our time on one company will help us to identify it scrupulously. The analysis of some other cases could be interesting in order to confirm the results of our research.

Data collection

- *Primary Data*

Saunders et al. (2007) assert that there are three different methods for collecting primary data: observation, interviews and questionnaires. Saunders et al. (2007) assert that observation is, by watching the participant, the best technique to use if the research focuses on investigating what people do. The authors (p. 310) assume that interviews “*can help to gather valid and reliable data that are relevant to the research question and objectives.*” There are three kinds of interviews: structured interviews, semi-structured interviews and unstructured or in-depth interviews. The first type uses questionnaires based on a predetermined and standardized set of questions. These sorts of interviews are referred to “*as quantitative research interviews as they are used to collect quantifiable data*” (Saunders et al., p. 312). The second kind relates to the use of a list of themes and questions to be covered. This method is qualified as being a qualitative

research interview. Finally, unstructured interviews concern interview without any predetermined list of questions. However, the researcher needs to have a clear idea of what he wants to investigate. The interviewee can talk freely about everything related to the topic are (Saunders et al., 2007). For this case study, we conducted semi-structured interviews involving themes and questions that have been provided by our theoretical framework.

In our research, the gathering of data started with setting up the contact with the selected company. After having built an interview guide, we have conducted two consecutive and separate interviews in the headquarters of Bruyere in Belgium. Accordingly, the interviews were conducted in French. The interview guide used for the face-to-face meetings follows the main parts of the theoretical framework. However, we paid attention to let the interviewee talk as much as he wanted in order to have access to vast and precious information. Indeed, giving our respondent the opportunity to answer openly offers new insight of theories about standardization/adaptation previously investigated. The first interviewee was the sales manager of the raw material department; the interview lasts more or less one hour. The second interviewee was the export manager, the interview lasts more or less one hour and a half. This company gave us easily access to their information. The face-to-face discussions were recorded and transcribed, as these operations are helpful for the further process of analysis (Bryman & Bell, 2007). Moreover, the data collected from the interviews enable us to analyze the activities of a SME in both kinds of businesses: business to business and business to consumer. Indeed, on one side we have interviewed the export manager for the chocolate department, which is focused on selling to the private individual, and on the other side we have questioned the sales manager of the raw materials department, which sells to professionals.

- *Secondary Data*

The term “secondary data” relates to data that have been collected for another purpose than answering the research question of the study per se (Saunders et al., 2007). These authors assume that there are three main subgroups of secondary data:

1. Documentary secondary data: this sort of data concerns either written or non-written materials. The above figure depicts some examples of both types of documentary data.
2. Survey-based secondary data: this method of collecting secondary data relates to the collection of data using a survey. Censuses surveys undertaken by governments. The uniqueness of these ones is that the participation is compulsory. Continuous and regular surveys are those repeated over time. Finally, Ad Hoc surveys refer to “one-off surveys” (Saunders et al., 2007, p. 251).
3. Multiple-source secondary data: this third way of gathering secondary data is based on documentary or survey secondary data or on both of them. Saunders et al. (2007, p. 251) state the “the key factor (of this third kind of secondary data) is that different data sets have been combined to form another data set prior to your accessing data.”

In our thesis, we have used documentary secondary data by reviewing the current theories linked to our field of research thanks to database of our University. One of the disadvantages of secondary data is that it may be hard to get access to it (Saunders et al., 2007). Indeed, by doing so, we have encountered difficulties to access to several scientific papers that fit perfectly to our

topic. However, we have also used primary data that we have gathered from our interview with managers of Bruyère. Moreover, we have also used information from the company websites and folders about the company given by managers as secondary data.

- *Selection of Data Collection Procedure*

Yin and Robert (2009) say that usually the case study combines data collection techniques like observations, archives, questionnaires and interviews. Nevertheless, the desire of combining these techniques may involve constraints in time or access. Because of a lack of time, we have chosen not to combine any different methods but use only interviews. As previously mentioned, we have undertaken semi-structured interviews. These interviews consisted of pre written questions (interview guide), spontaneous questions (due the interaction) related to the field of research.

- *Interview guide design*

The interview guide should reveal any differences in underlying consumer behavior, decision-making processes, psychographics, lifestyles and demographic variables. During our interview, we followed the set of guidelines proposed by Bristin et al. (1973, as quoted by Malhotra et al., 1996) made to ease the translation. This set includes: use short and simple sentences, active voices, repeat nouns rather than using pronouns, avoid metaphors, avoid adverbs and prepositions related to place and time, avoid possessive forms, use specific rather than general terms, avoid vague words and avoid sentences with two different verbs if the verbs suggest different actions. Indeed, in our case, the questions we have asked were quite simple using specific terms and without referring to place and time. First we wrote our question in English (as this thesis is in English) but as we were going to interview French speakers, we had to translate our English questionnaire into French (our native language) in order for the managers of Bruyère to completely understand our questions. The fact that we found simple and short questions was helpful for translating (as accurate as possible) them into French. Therefore, it led us not to have any misinterpretations.

Qualitative Data analysis

Saunders et al. (2007) affirm that qualitative data refer to two types of data: non-numeric data or data not quantified yet and which is the result of all research strategies. In this study, the data that will be analyzed can be defined as non-numeric data. Indeed, we are going to analyze what the respondents told us. Bryman and Bell (2011) assume that the analysis of data in qualitative research may lead to encounter some difficulties. Indeed, the authors (p. 579) assert that this is due to the fact that “*there are few well-established and widely accepted rules for analyzing qualitative data.*” Saunders et al. (2007) state that there are two approaches to collect and analyze qualitative data. They affirm that you can either follow a deductive perspective by starting to search theory to shape the approach or an inductive perspective by first gathering and exploring data without any predetermined theoretical framework. The approach used for this thesis is a

deductive one. In fact, as previously mentioned, before the collection of data we have built up a theoretical framework based on existing theories that we have used to analyze the information.

Reliability and Validity

Patton (2002) states that validity and reliability are two factors that any qualitative researcher should be concerned about while designing a study, analysing results and judging the quality of it. Then any qualitative researches have to reach internal and external criteria of validity and reliability to have a high level of quality (Bryman & Bell, 2007, p.410). Internal validity depicts the “*match between researcher’s observations and the theoretical ideas they develop*” and the external validity is “*the degree to which findings can be generalized across social setting*” (Bryman & Bell, 2007, p.410). The outcomes and the findings of this paper can be applied to firms that fulfill the same characteristics than the ones of Bruyerre. The conclusions of this thesis will be based on data provided by skilled people in the field of the research. Indeed the sales manager and export manager of Bruyerre are regularly dealing with the exportation of their products across nations and thus they have to think about either use a standardized or adapted strategy of their marketing mix elements. The data collected from the interviews is valuable and precise, as the respondents described why and how to face the situation of adapting or standardizing marketing mix elements across nations and also answered researchers’ questions that were related to the established framework of the research.

Investigation within SMEs can be a topic of future investigations. External reliability is respected since the reliability of a study measures to what degree the result of a study can be replicated. Indeed, the theoretical framework we used to build our interview guide were verified and tested by previous authors. Each observed fact has been agreed by both researchers before it has been used as an element of the new theoretical concepts. This way of working determines the internal reliability of the qualitative study (Bryman & Bell, 2007). In our study, both researchers took part at every sections of the research including the interviews, at transcribing the gathered data and also in analysis part. All the investigations come from concerted decisions, the findings of the study is a product from the agreement of both researchers. Concerning the interviews everything has been recorded. Moreover, we added in appendix the interview guide to improve the reliability. Indeed, researchers wishing to investigate deeper this field can use it.

Empirical Findings

General company information

Bruyere is a familial medium-sized enterprise that is located in Gosselies, a city in the west part of Belgium. The company has hired 155 employees and has a turnover that has reached 50 million euros (from the Interviews). The chocolate department has reached a turnover of 2 million euros while the department of raw materials has generated 28 million euros of turnover. The other 20 million have been generated mostly by the sales of workshop and shop equipment. The headquarters of the firm are in Gosselies. The company has two businesses that are pretty much linked: on one hand they are chocolate producers and on the other hand wholesaler for raw materials in the food industry and more precisely for bakeries, patisseries, chocolate makers and ice-cream makers. They also sell workshop and shop equipment for these professionals (Bruyere, Un siècle d'évolution).

The firm was found in 1909 when François Léon Bruyere created the "Bruyere chocolates" (Bruyere, 2013). The company uses the best clever recipes and raw materials. The pralines diversity has been developed over the years. Providing to customers different and delicious tastes as hazelnut praline, ganache, gianduja, etc. Chocolate is for Bruyere synonymous with passion but also with limitless creation. Thanks to a meticulous selection of top-class materials, traditional recipes and artisanal know-how. Bruyere today manufactures more than 70 kinds of chocolates that are renowned for their filling and for their decoration. Bruyere is constantly searching for new taste associations that are offering irreproachable quality the the finest connoisseurs. The motto of Bruyere is 'quality and service from day to day'. To achieve such an aim, Bruyere only uses a chocolate 100% pure cacao butter and does not use any preservatives in its products (Bruyere, Un siècle d'évolution). Thanks to a strict quality control and a large range of chocolates, Bruyere exports nowadays 60 % of its yearly production (Bruyere, Un siècle d'évolution). The most important markets are United States, Japan and France. In order the respond to different customers' needs, the firm has developed other brands such as Adrien du Roy, Lolla, etc. Moreover, they have started to develop other products than praline because the sales are affected by the seasonality of the chocolate.

Besides the production of chocolate, the enterprise's core of business is the negotiation of raw materials and the sale of equipment. In the early 1900s, the company used to sell its own chocolate but not only; they were specialized in the import-export of food. After a while, the firm focused more on the negotiation of raw materials and the sale of workshop and shop equipment needed for bakeries, patisseries, chocolate maker and ice-cream makers. The raw materials relate to preserved, frozen or dried fruit, sugars, chocolates, yeasts, fatty matters, fresh produce and improvers, maintenance products and so on... In total, they resell around 4000 items. Regarding the equipment the firm sells bakery/patisserie machines, ovens and food creation equipment. For this latter, Bruyere offers more than 6500 items via its four stores (Bruyere, Un siècle d'évolution). The company has developed this business by providing additional services like security services 24/7, technical services and so forth. Afterwards, they have developed some

stores in different Belgian cities. Currently, they own four stores, namely, in Gosselies, Liège, Namur and Tournai (Bruyere, Un siècle d'évolution).

Therefore, the customers of Bruyere are on one hand private individuals (for pralines and chocolates) and on the other hand professionals (for equipment).

Firm's Characteristics Affecting Marketing Mix Elements Adaptation/Standardization

The uniqueness of the product that Bruyere sells depends on the core business. Indeed, the added value of the products from the raw materials and equipment department differs from the one of the chocolate department. For the two first ones, what makes them have an advantage on their competitors is their service. As the sales manager of the department of raw materials states *"the products that I sell are also sold by other wholesalers who do the same business. Therefore, it is about a price positioning and a service positioning."* He adds *"besides selling these raw materials we provide security service 24/7 and an effective technical service."* This added value of providing such service is mainly what makes Bruyere better than its competition in business to business. The company stands out from the others differently when it comes to business to consumer. In this case, Bruyere offers unique products thanks to the quality of them. The fact that the company is present in the chocolate industry for more than 100 years now is a strong advantage. Indeed, as the export manager states *"as we are in the business for over 100 years, we have learnt to select the best products for making our chocolate. This has an impact on the quality of our pralines and people feel it."* When Bruyere offers its products across nations they want to keep this quality and fits to the requirements of the market. Pralines in some country are a new product that has to be understood and accepted by consumers. In this case, raw materials are standardized due to their specificity. Indeed, those products are consumed the same way worldwide. In this case, the added value of the product value is the service as argued by the sales manager of raw materials *"we give a specific service depending on the needs of the customer"*.

The international experience of both departments affects each of the decisions made by the managers. Indeed, as the sales manager of the raw material department has had a pretty bad international experience this led him to be rather careful when he has to deal with foreigners. As Mr Collet explains *"We do not chase export of raw materials because I have had a very bad experience with China where a Belgian settled over there. He knew us from Belgium so he contacted us for exporting our raw materials to China. It was a disaster. We all lost money in this case. No one won. We were refused, certificates were missing and so forth. In terms of legal requirements, we were not skilled for this kind of experience. The international Chamber of Commerce helped us for that but as soon as our palette arrived in China (we did three tests with samples to see which products would have had problems) it was wrecked within 15 days. For one palette, only filled by chocolate (because the certificate of conformity was easier to get thanks to the presence of Callebaut in this country) documents were missing, surprise! We sent a palette of chocolate again with the documents hidden in it and there, they said that we were making fake certificate of conformity, hence, we stopped everything."* This bad experience has had an impact on his willingness to develop their business abroad because since that moment he does not want to invest in international exports anymore. The only exports that the firm does in terms of raw materials are in charge by their customers. Bruyere only delivers products to an airport or port in Belgium. In the case of the chocolate department, their international experience also has an impact on their decisions but quite differently. Their experience in some countries helps them to

more easily implement their marketing strategy. Florence Boucheron, the export manager, says that their experience in Japan helped them to better enter the Korean market. As she points out *“As we are present in Japan for 22 years this knowledge of an Asian country helped us for many things. For example, when we decided to go in South Korea it was easier for us to implement our strategy although there were differences with the Japanese market. Indeed, we knew that you could not behave with Asians the way you do with Europeans. Plus, Asian people do not eat a praline in two times, like we do, but at one time. Therefore, we already knew that we had also to produce smaller praline for the Koreans. Furthermore, as we knew that Japanese people do not have the same consumption habits than us, we knew that we had to understand how Koreans behave in order to adapt our strategy as good as possible.”* The experience that they had in other Asian countries provided them some insights on how to act in other countries of Asia. Furthermore, in the case of the chocolate department, Florence Boucheron asserts that the know-how of the company is an important factor that makes their products unique. In the case of the raw materials, the Sales Manager mentions that the reputation of the firm plays a huge role.

In the case of the raw materials department, the only activities they have on international markets are the sale of products straight to the professionals. Hence, they do not have any distributors or agents in foreign countries. Concerning the sales of pralines and chocolates, the company does not physically support its agents in the foreign markets. As Florence Boucheron explains, *“Actually, we do not really support our agents. we take advantage of their experience in the market targeted”*. Nevertheless, they provide effective advices to their agents in order to improve their effectiveness; as she states *“but we also share our experience to them, we try to find the best solutions for our foreign market.”* Therefore, this supportiveness is represented by the suggestions made by the firms.

The organizational structure of the firm is quite simple. All the main managers gather once a week to discuss different topics. They talk about investments, the evolution of the firm, the problems, the good things that have been done during the week and they present the new projects. The decisions on what strategy to implement are also taken during these meetings. The people present are the Product Manager, the Export Manager, the CEO, his assistant, the Chief Financial Officer and the Sales Manager. Everyone gives his/her opinion, remark and may refuse some suggestions. It is a pooling of ideas and the final decision is taken according to the point of view of the majority. However, if no one agrees, the CEO cuts short and decides but usually he does not have to intervene as Christopher Collet mentions, *“This is the choice of the majority but as we have the same philosophy, the same organization policy, in general we all agree very quickly. It is rare that it blocks.”* This process is the same no matter what department it is. The fact of being a SME is for the export manager *“an advantage because we are a more flexible, reactive than bigger competitor and it is really appreciated but in another sense it can bring us disorganization in the planning”*. Mr. Collet also mentions that being a family company helps for sharing the information *“if one of my salesmen can explain to another ‘with this customer I did that but I totally screwed up and thus never do that!’ . Like this, the other guy will not do the same mistake. We share a lot. It is family, I mean everyone know each other.”*

Coming to the resources commitment of the company, bearing in mind that we have defined it as ‘the extent of management in the foreign market’, in the case of the raw materials department, the company does not really invest in it. As the Sales Manager of this department states *“we want to take an interest in the international dimension but not really invest in it.”* For the chocolate

department it is completely different. As 60 % of their turnover comes from sales made abroad, they must take an interest in it. As Florence Boucheron mentions *“You know Japan is one of our main market and Japanese people do not have the same tastes or habits. Therefore, we had to invest in specific equipment that are able to fulfill their needs and that help us to adapt as perfectly as possible to those requirements. This equipment is useless for the Belgian market for example. We only use them for Japan.”* Furthermore, this department comprises 43 employees and 26 people on the 43 work full-time for the foreign markets (from the Interviews). This means that the company commits more than half of the workers in this department for the exports. She adds *“the fact of having such a number of people working only for our exports helps a lot for implementing the right strategy.”* All the production is manufactured in Belgium and then sent to the different countries. Furthermore, the chocolates are sold to the different customers worldwide through the use of agents. The products of Bruyere are present in 35 countries. They try to add one country every year. Bruyere does not own any workforce abroad except in Lille (France) where they have recently opened a store. In order to reinforce their notoriety, Bruyere opened recently point of sales at the most touristic place in Brussels (Grand place). It also increases the trust about Bruyere for the foreigners who come visiting Belgium. Concerning its chocolate department Bruyere is oriented towards adaptation.

Environment’s Characteristics Affecting Marketing Mix Elements Adaptation/Standardization

The first factor of the environment characteristics is the market characteristics representing macro and micro environment. Bruyere takes into consideration the situation of the market because it affects their international marketing strategy. For the macro environment, the export manager adds that they also have to know what the different taxes for their kinds of products are. She says that they must adapt their prices in accordance with the VAT of each country. In the case of the selling of raw materials, Christopher Collet agrees. He also says that you must take into consideration the environmental characteristics. For the micro environment part, the export manager highlights the fact that pralines are products that highly depend on micro environment for example the cultural feasts, habits push them adapt promotion and product strategy. She says *‘You know people give chocolate to their relatives or acquaintances for special events like Valentine’s Day, Easter, mother’s day... Therefore, we have to be aware of that. For example, in Japan on the Valentine’s Day it is customary to offer chocolates to males. Actually, only females offer chocolates to their male acquaintances.’* Due to this matter of fact, the company in Japan, the company offers products that meet males’ preferences on Valentine’s Day. Another example that she explains *“Christmas is not celebrated in every country due to the religion of the export country; Easter orthodox and the Christian one happen at different dates; mother’s day in France is two week after the one in Belgium”*. Different cultures mean different symbols, export managers spoke about an experience she had with Romania *“we have developed a box with two roses of chocolate but in Romania, it represents a period of mourning; thus we have added one rose in the box and we have to make the communication for three instead of two”*. Moreover, as they sell chocolates and pralines they have to take into consideration the type of climate of the targeted market. She states *“if the climate is not appropriate for selling chocolates we are going to adjust our product strategy and propose complementary products”*. Culturally speaking there are different symbols. Furthermore, the export manager argues that if they want to be successful, they have to adapt their product because *“each country has different habits of consumption”*. She did the same observation for the packaging *“when we expose our products on the domestic*

market, customers see the box and know that it is a praline box; but abroad, customers are sometimes not use to this kind of product, thus we have to add additional visible information about the contents on the packaging”. According to the export manager, it makes the product more attractive for customers. In order to increase the acceptance of their pralines in Japan, Bruyere had to produce a new product strategy with less pralines and new color “we create a new box of pralines with four pralines inside and the packaging is also adapted with more color for younger people because they don’t have a big purchase power”. The export manager explains a mistake of a competitor that did not adapt their praline abroad “they arrived in Japan to sell their product but without changing anything; you have to know that Japanese are used to eat in one mouthful and pralines of this competitor were impossible to eat in one mouthful thus it didn’t work for them”. She adds “it is a big mistake to think that products have to be always produced and sold in the same way”. Bruyere proceeds differently as she points out “for Japan, it is important to produce smaller pralines with more alcohol and different tastes than we do in Belgium. Our ingredients used for this market are also different, for example the food coloring because the Japanese authority is very strict for the ingredients, the origin of the product, etc. Furthermore, a packaging of one kilogram in Belgium is salable but in other countries it is not the case, it is maximum 500 gram”. The packaging used for China is with red colors. An attractive packaging and detailed information is a key to sell. Price is different from market to market because of the shipping cost and all the other costs encountered when exporting. Regarding the distribution, on the point of sale, Bruyere has to act differently depending on the habits of customers “in some place we can sell chocolate praline in jumble, for example Belgium, but there are countries that you cannot imagine doing so”. In the business of chocolate, the psychological price plays a huge role. Then, depending on their customers Bruyere adapts the price of their pralines because the perception from country to country changes. Florence Boucheron mentions that “perception of price between France and Belgium is different; in Belgian pralines at 30 euros per kilogram is mid-end quality and in France it is seen as low-end quality”. In order to respect the brand image of Bruyere they have to adapt their price. They implement a different price strategy in function of the country because it affects the quality perception of their brand. As the export manager affirms “People are not sensitive to the same argument in Belgium and in foreign countries, Bruyere has to adapt its promotion across nations.” In general the export manager claims that the strategy of the chocolate department is adapted. In fact, as described before Bruyere export manager says that “design/styles, new segment, packaging of our product have to be thought for in each market. In this sense we can survive abroad”. The micro-environment pushes Bruyere to adapt its prices for the targeted market because of legal and regulatory issues. The export manager adds that “our price strategy is adjusted also because of a difference in psychological perception of price; you cannot by the same things with 10 dollars in USA and in India”. Moreover she states that they also have to think about the purchase power across nations. Bruyere adapts its communication, she explains that it is because they work a lot with seasonal product, seasonal special offers. With regard to the sales of raw materials, Bruyere does not communicate to their customers as the Sales Manager of this department mentions “In terms of communication, I must say that we do not really communicate.”

When going out of the domestic market, the competition plays a role in the decision of adapting or not their marketing mix; the Export Manager says that “when competition is intense we have to adapt our product as much as we can, we must be better, make the difference”. Furthermore, if the competition is too intense according to them and if they reckon that they do not have a strong

advantage compared to the competitors, they will not develop their business in this market. For Christopher Collet, Bruyere can face the intensity of the local competition mainly by using the advantage of taxes. Indeed, when they sell in foreign markets, as they are foreigners, their customers have not to finance the VAT of the country in question. Therefore, for some markets they do not have to fight with the competition so much. However, this is not the case for every country. As he mentions *“this is a big advantage that we have in some countries but it is not the case in Luxembourg. There 6% of VAT is ridiculous so you should not use this argument in order to face the competition.”*

When we wanted to know if the availability of the media was an important factor to take into account, both respondents answered that it was not really the case. For the case of pralines, Mrs. Boucheron told us that availability of media does not play a role for them across nations. She indicates *“we don’t focus on media campaign because it is a big budget for us; we prefer to use our budget to settle degustation on our point of sale or participate to commercial fair”*. She adds that Bruyere does not really communicate through media but more onsite, in their agents’ shops. They do not want to invest in advertising. As the Sales Manager of the raw materials explains *“for the case of Lille, we were present in a local magazine, for free. Indeed, an article talked about us, saying where we are from, for free, it was perfect!”* As he mentions it was for free so they did not have to spend money for that. This is how they act with advertising. However, this year they will invest a lot in the development of their website and on the management of their accounts on the different social networks. The firm acts the same for the raw materials. According to Mr. Collet, the availability of the media is not important at all for developing the business of raw materials. He states *“the articles in a newspaper maybe a springboard for new businesses but not for making something concrete.”* However, Bruyere has the willingness to increase the brand exposure to its customers. They opened recently two point of sales at the most touristic place in Brussels (Grand place).

For the chocolate distribution infrastructure, Bruyere mainly works with people who can deliver themselves the product to their customers. Bruyere pays attention that their distributors across nations are able to sell their goods. Florence Boucheron, the export manager, says *“we try to select people with a structure to deliver products to the customers, with a capacity to organize the storage and an expertise required in our product”*. Generally they do ex-works, in this sense the company wants to avoid problem with transportation, for example due to the perishability of the chocolate. Indeed, managing the transportation *“takes time, is expensive and can be a brake”*. However Florence Boucheron says *“we give our foreign distributor an ex-works price and we help them to find a transporter and the most efficient one thanks to our network and experience”*. She adds that they make this choice of distribution because of their size *“generally SMEs work with ex-works prices due the heavy administrative perspective to deliver directly the product to the customers. We try to avoid additional workload. If it is strongly requested we adapt to the needs and we charge it”*. Regarding the distribution of raw materials, they do not really have to care about the structure of the distribution either. Indeed, the distribution of their products abroad is taken in charge by their customers. They just have to deliver products to an airport or port in Belgium (according to the customers’ preferences) and then they are in charge of the rest of the transportation. However, there is an exception for their customers in Luxembourg for which they send the products with their own trucks. The negotiation with the partner is also an important point in the decision and depending on the culture the behavior of negotiation is different. Mrs. Boucheron asserts *“We prefer to have partners with big market who are able to order a lot such*

as the United States or Japan. However, we want to be flexible for the smaller ones because there are maybe the big ones of tomorrow". Moreover, she indicates that depending on the negotiation power of their partners the distribution will be different from a country to another "due to the power of our partners in terms of negotiation, we have to adapt more our distribution because sometimes they require faster ways of transportation which are more expensive." It is the same for the raw materials. Mr. Collet takes the example of the way you negotiate in different countries which can refer to the social characteristic. He explains *"You definitely have to adapt, none of the markets is the same, especially when you export. For example, concerning the French, when we canvass, you must let him talk. There are at least 15 to 20 minutes before being able to broach the subject. He would explain to you that he does things much better than everyone but it is part of the process. You break the ice, okay you listen to him, you always have to say a few words like 'oh really, you do like that!' he feels confident and then once we discuss products you know that he is interested otherwise he would have stopped the conversation. In Luxembourg it is different. You have to be professional, hyper professional. You must wear a tie. You must be at the top of the technology. (...) Luxembourgers are very demanding. You should not contradict yourself because they have a very good memory. You must respect your commitments. They are absolutely not indulgent. If we say it is 26, so it is 26 and not 26.10. If it is the case, it will be refused."* In both cases, they have to know how to behave in accordance with traits characterizing the foreign environment in which they want to develop their business. According to the managers, the proximity of the market influences the decision to adapt or standardize their distribution. For closer countries such as Germany or France, Bruyere can send smaller quantities *"in Germany we are able to deliver fresh products within 24 hours, it is appreciated"*. Thanks to the proximity of the market Bruyere is able to standardize the delivery. But there are differences when the exports need be delivered by plane, *"we send fresh products by plane but for the packaging if customers ask enough of it in advance we deliver it by truck or they can make it in their own country depending on the distance and on the cost of workforce. (...) Generally when we proceed this way we know the people we are working with, we trust them and we help them because we want that their respect our requirements"*. For the raw material department the trend is to standardize the price strategy. The only variable that affects the price policy of this department is the transportation cost. Because of that they set their prices from their factory and their customers take in charge the transportation. Regarding the business of raw materials their customers are in charge of the distribution. As Mr. Collet points out *"We do not have to worry about that. We just bring the products to a specific place in Belgium (according to the customer's preferences) and then he is in charge of everything else. Nevertheless, it is not the case for the chocolates. In general, for the exports, this department uses an adapted distribution as mentions Mrs. Boucheron "as the type of distribution used depends on each situation, we must adapt it for almost every foreign market if we want to sell our products."* However, for the bordering country they do not adapt; they use the same ways of transportation for them as she points out *"For Germany, France, Holland and Luxembourg, we use our own trucks to provide our agents. Indeed, we utilize the same guys to deliver these countries because it costs less, indeed, we use our own resources therefore we do not have to pay someone else to do the job that we can do."* The communication of Bruyere chocolate is mainly managed by their importer. Thus, it tends highly to an adaptation of the promotion strategy. According to Florence Boucheron *"it is important for us to have one person on site who has the information needed in order to manage communication"*.

Mrs Boucheron points out that adaptation is feasible if the order is big enough not to affect too negatively their profitability *“an adaptation of our product strategy for Japan is appropriate because we have orders of one ton by-product”*. However, certain specific goods are standardized because they are the same for different markets and due to the volumes of sales, *“we make chocolate roses and we do not adapt them in foreign market because it is the same everywhere”*. The export manager says also that *“from a profitability perspective it is better to standardize but to sell your products you have to meet customers’ consumption habits”*. Talking about their chocolates sales, the Sales Manager of raw materials adds *“we must adapt our strategy because one country is not the same than another. Indeed, there are differences in terms of volume and quality.”* Concerning his department, it is pretty much different. Indeed, as Christopher Collet highlights, for his products there is no need to adapt *“our buyers have adapted their purchases to our products and it is not us who have adapted our products to the foreign markets.”* In fact, they sell the same products for each market. For the raw material, the added value is the service provided as argued by the sales manager *“we give a specific service depending on the needs of the customer”*. Furthermore, he says that the price they set also depends on the volume that they buy. He also claims that the price depends on the size of the customer *“if we have to deal with a bigger customer who does not buy only in France, we will have to adapt. Either we adapt or we do not sell. So in this case we can offer discounts for the volume he buys.”*

The nature of the business (or product) is a characteristic that we have encountered several times in our analysis of the data. As Mr. Collet mentions, *“For raw materials it is absolutely not the case. I cannot adapt. An apricot is an apricot; you will not color the baking powder in orange because he likes orange color. Therefore, here in my department we sell standardized products.”* However, as the export manager argues *“due to the perishability of the product for certain distant country it has to arrive fast and thus it is more expensive”*. Indeed, the preservation of pralines is relatively short from 3 months to 9 months. *“If it lasts 1 month on the boat it remains only 2 months to sell it, forget about that!”* Then Bruyere proposes a specific selection of product for the exportation due to this problem *“we have a selection of products made especially for the big exportation”*.

Another characteristic came up through the interactions of interviews. We have found that the firm’s flexibility is an important element that is considered. In both cases (raw materials and chocolates) this dimension is positively important for running the business. As Mr. Collet asserts *“if we would have to adapt, it would be the volume. We would adapt for something extraordinary. If I would have to deliver to Marseille for 26 000 euros we would look for knowing how to do it the best.”* This is the same for chocolates. Ms Boucheron claims that *“as we are flexible, we are able to adapt our strategy to market shifts while bigger companies look for standardization due to their rigidity of their structure.”*

Due to the size of Bruyere the company is able to respond to almost every partner’s needs and offer shorter delays. Indeed, bigger companies cannot be as flexible as smaller ones. The export manager argues *“the fact of being a little reactive structure is much appreciated; it enables us to adapt our product to special requirements much faster than the big multinationals”*. According to Mr Collet, the size of their company is important. Indeed, as they are between small and big enterprises this helps them to be well placed in the market. On one side, they impress the small producers because these ones cannot compete them and thus will have to follow the rules of Bruyere. On the other side, as they are not too big, they can compete the multinationals by

providing better advices to their customers. As Christopher Collet mentions *“When our customers deal with bigger companies, they do have informal contacts. For instance, if you need Côte d’Or chocolates, they will you but they will not care if another kind of product could be better for you while we do provide advices concerning what kind of product could better fit.”* The export manager explains that *“adaptation is an investment that is worth but sometimes customers ask for technical tasks that take a long time and are non-profitable”*. The return on investment of the deal is then an important factor in deciding either to adapt or standardize the marketing mix elements.

Analysis - Discussion

In this section we analyze and discuss the data from the theoretical framework and the empirical findings in order to see what are on one hand the similarities (between the previous findings and ours) and on the other hand the specificities related to the case of Bruyerre.

Bruyerre, wishing to expand their international presence, has to face a fundamental strategic decision. They must decide to standardize and implement a single marketing strategy in all countries or to adapt and implement an appropriate marketing mix strategy in order to match the specific needs and expectations of the local market. The trend of globalization as seen by Buzzel et al (1995) drives the market to an homogeneous market, letting us think that the number of firms standardizing the marketing mix elements and strategies is growing (Buzzel et al (1995). We disagree with this words of Buzzel et al., 1995) for the case of Bruyerre it has been seen in the empirical findings that needs are heterogeneous and the firm with its peculiarities is able and has the willingness to respond to the specific needs as good as possible.

Firm's characteristics Affecting Marketing Mix Elements Adaptation/Standardization

After the interviews of managers of two different departments of the firms, we have noticed that the uniqueness of the product affects the international marketing strategy when they analyze the situation. Concerning the raw materials, Christopher Collet claims that the uniqueness they possess is the service that they provide to their customers. This rejoins the words of O'Cass and Julian (2003) affirming that a unique product seems to have an advantage of differentiation over the competition. It also rejoins a remark in the empirical findings saying that *"products that I sell are also sold by other wholesalers who do the same business. Therefore, it is about a price positioning and a service positioning. (...) Besides, selling these raw materials we provide security service 24/7 and an effective service."* Therefore, when the firm analyzes the situation, they pay attention to the differentiation advantage they have in terms of quality and services provided as argued by Terpstra and Sarathy (2000). In the case of chocolates sales, the added value that they bring is their quality in term of chocolate. Because of the uniqueness of the product, Bruyerre has to adapt its product strategy abroad in order to be understood and attract people. It is in line with the statement of Cavusgil and zou (1994) saying that a product that is unique to the domestic market could have limited acceptance in the export market. Indeed the product can be unknown in foreign market then found in the empirical data *"some foreign customers see our domestic packaging; they don't know that there is pralines inside the box unlike in the domestic market"*. The comparison between different products of Bruyerre is interesting because it tells that the uniqueness of the products differs depending on the type of nature of the product. Indeed the raw material department does not offer a unique product as the chocolate department does. Indeed Douglas and Craig (1989, as cited in O'Cass and Julian, 2003, p. 369) say *"a unique product provides a firm with a differentiation advantage that other firms in a competitive market may find difficult to challenge or overcome resulting in higher performance than standardized product."* In the case study, Bruyerre provides unique products in the chocolate

department thanks to its quality and the raw material department thanks to its services in order to have a differentiation advantage across nations. Moreover as say by Terpstra and Sarathy (2000) this differentiation advantage may come from a better quality, more durability, better service and so forth. In line with that the product uniqueness, the motto of Bruyerre is: 'quality and service from day to day'. The nature of the product offered by Bruyerre determines if the product must be adapted or standardized. Furthermore, an adapted product brings better results as Mr. Collet states in the empirical findings. Certain specific goods are standardized because they are too specific like raw materials in this case study. In this case the perishability due to the nature of the product (food) is important. However, they are not in charge of the transportation. The communication of Bruyerre differs depending on the kind of business. Concerning the raw materials, the company does not communicate. Therefore, the problem of either adapt or standardize the communication does not happen. We may assume that this fact of not communicate is due to the nature of the products. As they sell products that are used for the same purpose and in the same way they do not need to communicate on them. Thus certain product can be standardized because the consumers are homogeneous due to the nature of the product (Hollensen, 2001).

The factor "international experience" seems to be an important criterion for analyzing the situation and take decisions. In fact, whenever they have to decide about anything related to foreign markets they refer to their past experiences. This may be represented by the bad Chinese experience of the Sales Manager of raw materials. His bad experience in China led him to act more carefully when they have to deal abroad. Indeed, now they only send the products to Belgian airports or ports from where their customers send them to their own countries. This use of a standardized distribution is much cheaper and less risky for Bruyerre. Therefore, this behavior rejoins the words of Larimo and Kontkanen (2008) affirming that when managers of SMEs have international experience they are more able to analyze the alternative distribution. This analysis made by the Sales Manager led him to choose the less risky and cheapest distribution which is the standardized one. In addition, as he has had a bad experience in China this has affected his willingness to invest in exports. Moreover, in the case of the Export Manager, she explained that thanks to their experience in Japan, they could manage more easily the implementation of their marketing strategy in South Korea due to the knowledge of the Asian culture that they gained. They were more easily able to adapt their strategy to the Korean market. This rejoins the idea of Cavusgil and Zou (1994) saying that thanks to the international experience managers know the differences in environmental conditions and they are more likely to adapt the marketing strategy to accommodate the specific needs of the market. It also gives support to Douglas and Craig (1989) affirming that thanks to their international experience companies understand the idiosyncrasies of the export market and are up to respond to the local conditions by adaptation strategy. A factor that influence their decisions of either standardize or adapt their prices is their international experience. Indeed, as they already sell in foreign markets they found out that each country is different in terms of prices setups. As they are present in both countries, USA and Romania they know that people cannot buy the same things with 10 dollars in these countries. Therefore, this experience pushes them to adapt their prices for each country. The current knowledge that they already have will influence their decisions of adapting their prices.

The support provided to their agents does not involve any resources commitment. However, by providing good advices from their own experience to their partners, the firm brings useful support

to them. This support enables the company but also the agent to find the best solutions for the foreign market. This rejoins what Cavusgil and Zou (1994) and Rosson and Ford (1982) state concerning the support provided to the distributor that leads to a cooperative partnership which lead to an effective implementation of the marketing strategy. Accordingly, we can assume that this support in terms of advices increases the exchanges between the Bruyerre and its agents which allow the firm to better adapt its strategy to the foreign conditions. We can also assume that it is due to resources constraints that Bruyerre provides other types of support than physical ones. O’Cass and Julian (2003) define supportiveness as promotion support and training provided to the sales force of the firm’s distributors but depending on the level of resources possessed by the firm we can add the set of advices made as part of the supportiveness. In this case, Bruyerre does not provide a heavy support.

Following the description of resources commitment made by O’Cass and Julian (2003) saying that it relates to the amount of resources that the firm allocates to develop its business in the foreign market and for the support provided to the distributors; the company commits itself more or less depending on the importance of the foreign market for the business. In the case of the raw materials department, exports do not constitute a major part of their business; therefore, the company does not commit resources into foreign markets. However, when it comes to the sales of pralines and chocolates, as 60 % of the turnover of this department is made by foreign sales, the firm invests more in developing this part of its business abroad. As mentioned in the empirical findings, they have invested in special equipment (that are useless for Belgium) for the Japanese market, which is one of their biggest, in order to adapt their product to the Japanese preferences as good as possible. Moreover, also as cited in the empirical findings the company commits more than half of the workers in this department for the exports which impacts on choosing the right strategy (adaptation or standardization). This rejoins the words of Terpstra (1987) indicating that resources available for export development allow the firm to idiosyncrasies in the export markets, develop the necessary marketing strategy (adaptation or strategy) and implement them effectively. Accordingly, when a new situation appears, the firm will be willing to commit more resources in the case of chocolate exports compare to the exports of raw materials.

The interviews of both managers revealed that the current knowledge of the targeted market is also an important factor that they take into account whenever they analyze a situation. Indeed, the more they get information of the market the more they are able to adapt their strategy to each case. Either they already have the knowledge of the market (which is unlikely as they have no experience in the foreign targeted-market) or they get the information from their partners in the foreign country. In this latter case, they take advantage of their foreign partner’s experience. This sharing of information goes in both ways because Bruyerre shares its long experience of the industry, advises its agents and connects them to the firm’s contacts.

The size of the company affects the relationships with the customers and the social dimension of the business. The fact of being a SME helps when it comes to analyze the situation. Indeed, decisions are taken more quickly. Few people take part of the board meetings, what enables them to faster agree on every point, comprising decisions with regard to the implementation of the marketing mix. Furthermore, according to Mr. Collet the decisions are made in accordance with the opinion of the majority and Mrs. Boucheron adds that they have an advantage compared to multinationals because they are more reactive than them; in the case of Bruyerre, being smaller

brings more rapidity in their decisions concerning the adaptation or standardization for each situation and those decisions are agreed according to the point of view of the majority.

We have noticed thanks to our interviews that the firm's flexibility helps the company to implement its marketing strategy. This fact of being flexible enables them to adapt for a situation that is worth the effort. When they face changes in the consumers' wants they adapt their product because they are flexible enough to do so. Therefore, in order to meet their consumers' requirements in a rapid pace they can implement an adapted product policy by using to their flexibility. In this case the uniqueness of the product is the service provided by Bruyerre (Terpstra and Sarathy, 2000). The service can be adapted thanks to the flexibility of the company. Indeed, as seen in this case, every partner is taken in consideration differently. Thus when a problem appears, the appropriate solution can be developed. This is demonstrated with the example of the Canadian customer to whom Bruyerre has sent technical support in order to educate their employees. Their flexibility and reactivity allows them to adapt effectively to consumers' needs across nations thanks to the experience exchanged between targeted market and the company. The flexibility of the company allows them to adapt their place policy easily. Indeed, according to special requirements from their agents they can be in charge of the distribution.

Through the analysis of this case study we have noticed that the relationship built between Bruyerre and its different partners plays an important role in their capacity of adjusting their product as good as possible to the market. Indeed a close and trustful relationship between partners enables a good exchange of information which is helpful to understand the environment of the market. The flexibility of Bruyerre is an advantage to construct the appropriate relationship because they can respond more rapidly to the requirements and thus there is no waste of time that affects the sales of both, the agents and the firm itself. A good relationship helps to more effectively meet the consumers' needs and wants due to the good understanding of them and thus to offer the most appropriate product. This rejoins what Rosson and Ford (1982) say with regard to the cooperation between the manufacturer and the agent. By analyzing this case study we have noticed that the relationship built between Bruyerre and its different partners plays an important role in the distribution. Indeed, a close and trustful relationship between partners enables a good exchange of information which is helpful to adapt as well as possible the distribution the market's requirements. As mentioned in the empirical findings, Bruyerre advises its helps its agents to find the most adapted transporter and the firm sets advantageous prices for its agents. This favors a good relationship between both parties which is a good way to implement the right adapted strategy (Rosson and Ford, 1982).

Environment's characteristics Affecting Marketing Mix Elements Adaptation/Standardization

By analyzing our empirical findings we have found that international marketing strategy of Bruyerre has to be decided specifically to each country's environment. Moreover, the cultural factors of the market environment highly influence the situation perception. For example, we have seen that the chocolate department of Bruyerre has to take into account the cultural feasts and consumption habits. As pralines and chocolates are seasonal products, which means that they are mainly consumed at certain moments of the year (especially during feasts) Bruyerre must be

aware of the customs used in each country in order to meet consumers' wants. Furthermore, the customers' preferences and tastes which partly define a culture are also an important factor to take into consideration because for example Japanese may like the flavor of mint in the chocolate while the Swede hates that. This gives support to Cavusgil and Zou (1994) stating that the product must be adapted to the cultural needs of the market abroad. The fact that Bruyere adapts its products according to the specific feast of the countries is also an argument supporting Cavusgil and Zou (1994). As we have just seen, the culture especially affects the product but the promotion and the price as well. Indeed, a culture does not equally perceive the price value compared to another, as mentioned in the empirical findings with the example of Belgium and France. This means that Bruyere has to adapt its prices to each culture. The organisation of Bruyere agree with Sousa and Lengler (2009) that adapting the general pricing strategy can improve the performance of the company. Unless the characteristics of the product itself, most of the reasons that push them to adapt their prices are external to the company. The judgment of the value of the money is an important factor for the price setup. However, this factor is mainly important in the business of pralines and chocolates; the sales of raw materials are not affected by this criterion. In each country people perceive the value of money differently. Due to this matter of fact, the firm has to know it in order to adjust their prices to these opinions. Another characteristic of the environment that impacts managers' decisions is the legal dimension. One of the ways to get this information is the relationships that the company has with its partners. In fact, by knowing the market, these partners can provide right information that will affect the price strategy to Bruyere. Thanks to that Bruyere can set a price that is appropriate to the characteristics of the market. This will lead to better performance of the firm abroad (Samiee and Roth, 1992). This is exactly the same for the promotion as stated in our empirical findings "*people are not sensitive to the same argument in Belgium and in foreign countries*"; the firm has to adapt its brand image to foreign countries as there are cross national differences in cultural market conditions (Schmid and Kotulla, 2011). In the case of raw materials, as these kinds of products are not affected by cultural characteristics or consumers' preferences, standardization is totally suitable. In the case of chocolates and pralines, it is totally different; this is due to the fact that these products are highly consumers' tastes and culture dependent as previously mentioned. We have just seen that the chocolates have to be adapted to the consumers' preferences while it is not the case for the raw materials. Therefore, as a part of our findings, we have noticed that the nature of the product influences the decisions of Bruyere to either adapt or standardize. We think that this element belongs to industry's characteristics which are included in the microenvironment which influence the adaptation of the marketing mix (O'Cass and Julian, 2003). Hence, this factor has to be taken into account for the implementation of the marketing strategy. Indeed, in this case the company evolves in the business of chocolates which is highly consumers' preferences dependent while in its business of raw materials it is not the case. This means that there are characteristics influencing the adaptation or standardization of their marketing mix which are specific for each business. As mentioned in the empirical findings, the raw materials do not need any adaptation. Those kinds of products are consumed the same way everywhere. This enables us to assume that the nature of the product is an important factor to take into consideration in order to decide whether adapt or standardize the marketing mix. The export manager of the praline department rejoins the concept that the product strategy has to be adjusted to the elements of macro-environment in order to become legitimated across nations (Hultman et al., 2009). She argues that if they want to be successful abroad, they have to adapt their product because "*each country has different habits of consumption*". This supports the concept of Hollensen (2001) affirming that heterogeneous consumers' needs favors adaptation. This case

study reveals that there are differences between countries which can be an obstacle to the implementation of a standardized product (Sousa and Lengler, 2009). Indeed, the export manager related the story of a competitor. This competitor decided to extend its market across nations without changing aspects of its product, it results in a failure. When Bruyerre goes abroad, they take into consideration different aspects of the product strategy: ingredients, product aspect, and packaging to better reach the customer. It rejoins the statement of Sousa and Lengler (2009) indicating that companies should not forget to match the customer's satisfaction because a better product market satisfies more the consumer. Bruyerre adapts its whole product policy to the foreign markets. Indeed, the different elements composing this strategy (Brooksbank, 1994) are changed from country to country although the changes are more important regarding to the level of similarity with the home country (Larimo and Kontkanen, 2008). The company adapts the product itself to the consumers' preferences of each country; the packaging of it is also different from country to country. Raw material is supposed to be standardized across nations because the consumption habits of them are the same. The partners of Bruyerre take the responsibility to organize the distribution. The choice of adapting or standardizing is not theirs. As their agents are in charge of it, and as each agent is different for each country, the distribution is thus adapted for every different market. This matter of fact rejoins the words of Sousa and Lengler (2009) claiming that distribution is highly context dependent. By doing so, Bruyerre takes advantage of the experience of their agent in their respective market as we have seen that the distribution is highly market's characteristics dependent. Nevertheless, for bordering countries Bruyerre has developed a standardized distribution from the manufactory located in Belgium to the reseller in the bordering country. The choice of using a standardized or adapted distribution depends on the characteristics of the market (Sousal and Lengler, 2009). Regarding the sales of chocolates, consumers' tastes, habits and so forth play a huge role. Thus an adaptation of the promotion strategy is often required. The main factors affecting the communication of the company are cultural aspects and consumers' preferences. Indeed, bearing in mind that pralines and chocolates are seasonal products, religious and cultural feasts are not the same everywhere and are not celebrated at the same time.

The intensity of the competition as cited by O'Cass and Julian (2003) influences the decision of the managers because intensity of the competition in the export market could force firms to seek a high degree of product and promotion adaptation to gain a competitive advantage because it can be more appropriated to local preferences (Naidu, 1993; Cavusgil and Zou, 1994). The empirical findings let appear that a high a level of competition pushes the company towards an adaptation to be better and to make the difference as argued by Hollensen (2001). But if the competition is too intense Bruyerre do not enter the market. If they enter the market with intense competition is because they have a competitive advantage in term of price or product.

The availability of media was an important factor to take into account when analyzing the situational factors influencing the decisions of managers (Theodosiou and Leonidou, 2003; Schmid & Kotulla, 2011). However both respondents of the case study answered that it was not an important factor. Empirical findings reveal that availability of media does not play a role for them across nations when they decide to adapt/standardize elements of marketing mix. Indeed it indicates due of their budget limitation for business campaign, they don't have to think about the availability of media. It reveals that due to their SME constraints, do not really communicate through media but more onsite, in their agents' shops.

The infrastructure of the distribution has to be taken into consideration when managers analyze the situation (Schmid and Kotulla, 2011) because of its difference in the home and host market (Quester & Conduit, 1996; Michell, Lynch, & Alabdal, 1998 as quoted in Theodosiou and Leonidou, 2003). As said by Theodosiou and Leonidou (2003), when a firm is international, it requires a degree of adaptation of the physical distribution because of differences in special documentation and ordering procedures required; availability of transportation facilities to carry goods to and within foreign markets, the number, type, and technology of the warehouses abroad; and the level of inventories needed to be maintained in overseas markets, usually determined by territorial size, infrastructural facilities, and purchasing/consumption habits. All those adaptation represent a heavy workload that Bruyere because of SME constraints cannot deal with. Thus distribution across nations in this case is managed by foreign partners due to constraints related to the size and the power of the enterprise (limited resources). It is fragmented and decentralized with independent country subsidiary. This factor leads to adaptation (Hollensen, 2001). Importer partners of Bruyere are selected if they are able to deliver accurately products to customers, have the capacity to organize the storage and have an expertise required in our product. The size of the infrastructure of the distribution is also important in their decision either to adapt or standardize. Partners, middleman role to play from domestic to foreign market is according to the empirical findings and Theodosiou and Leonidou (2003) due to variation in bargaining power, financial strength and marketing know-how (Theodosiou and Leonidou, 2003). Indeed the negotiation is different from country to country because it also depends of the culture according to our empirical findings. Bruyere says that depending of the power of negotiation of their partner; they have to adapt more our distribution because sometimes they require faster ways of transportation which are more expensive. Thus the transportation used affect also the price strategy. The costs of transportation constitute another element that the company takes into consideration and which is a reason to adapt the price for each market. If they have to use faster transportations or if the market is located in a region that is far away from Bruyere factory the company may set higher price in order to cover these costs. Empirical findings reveal that distribution infrastructure is always country specific and request adaptation of distribution strategy. Bruyere have to adjust their strategy when they want to develop their business abroad. The distance of the foreign market plays a role also in the ability of Bruyere to restock rapidly. The bordering country can be restocked in 24hours thanks to transportation channel owned by Bruyere.

Volumes of orders

One of the essential concepts that the study of this case has revealed is that besides the firm and environment's characteristics, the volumes of orders represent another factor that managers take into consideration when analyzing a situation. She points out that adaptation is feasible if the order is big enough not to affect too negatively their profitability "an adaptation of our product strategy for Japan is appropriate because we have orders of one ton by-product." Depending on the volume of the orders, the managers consider whether they can afford to adapt or standardize their marketing mix policies. Indeed, they look if it is worth the effort because an adaptation costs more than the standardization of their marketing strategy. The adaptation is feasible depending of the amount of product ordered "an adaptation of our product strategy for Japan is appropriate because we have orders of one ton by-product". Indeed, adaptation strategy increases costs but it can allow the firm to sell in a foreign market. Moreover, volumes ordered constitute a factor affecting the decisions of Bruyere's managers with regard to their price policy. Depending on the volumes Bruyere can offer discounts to its agents. Therefore, the company sets lower prices

if its agents order bigger volumes meaning that the price is totally adapted according to the quantities ordered.

Conclusion

Findings

Adaptation/standardization has been an important topic of investigation those last decades. However, according to Schmid and Kotulla (2011) researches about this topic are not enough situations-specific. We have aimed to understand why and how small-medium enterprises adapt or standardize their marketing mix elements strategies (product, price, promotion, and place) across nations. Our analysis of Bruyere's case has highlighted the fact that some of the factors taken into consideration by the firm for implementing either an adapted or standardized marketing mix are the same than the ones that multinationals take into account. However, depending on the kind of business (chocolates sales or raw materials) the company may act differently. In both cases, the firm considers the uniqueness of its offer as a factor influencing the adaptation to each market. One of the elements that has an important impact on the decision whether to adapt or standardize is the nature of the product. We have noticed that depending on that factor, the firm adapts its product strategy or not. Their international experience is also a factor affecting the managers' decisions. Their past experiences on other international markets helps to analyze the situation and to better know if adaptation is more suitable than standardization with regard to a new situation in a new market. The factor 'supportiveness' plays a role in implementing the right strategy on the foreign markets. Indeed, the company, by providing good advices to its foreign partners, enables its agents to set the best strategy for each situation because, as mentioned previously in the paper, the agents are in charge of some policies of the marketing mix. Depending on the type of business, the variable resources commitment plays a role in deciding whether adapt or standardize. The sales of chocolates are mostly done abroad while it is not the case for raw materials. Therefore, the chocolate department has invested for developing their exports. This matter of fact helps them to adapt as well as possible their products and choose the most suitable strategy to each market. Besides these findings regarding the factors affecting the adaptation/standardization we have discovered that the fact of being flexible enables them to adapt to the partner or customers' requirements. We have seen that thanks to the good relationships built between Bruyere and its different partners the firm can adapt its marketing mix to each foreign market more easily due to the right information provided by their agents. One of the major factors affecting the choice of adapting or standardizing is the micro (macro) environment. We have noticed that cultural dimensions, customers' habits and so forth are variables that strongly influence the managers' decisions with regard to Bruyere's strategy. The intensity of the competition is also taken into consideration by the managers but it seems that this element is less important than the other ones. Concerning the media availability, Bruyere does not consider this factor as being part of the factors having an impact on the choice of either strategy. The last environment's characteristic that affects the willingness to standardize or adapt the marketing mix elements is the infrastructure of the distribution. Indeed, due to the fact that the company does not take charge of this part of the marketing mix, it is totally adapted to each country. In fact, every agent is different for each country therefore each distribution is adapted according to each partner's business. Finally, another factor that affects the decision of Bruyere to adapt/standardize their strategy is the volumes of orders. We have found out that depending on the quantities ordered the firm adapts its different marketing mix policies.

Managerial Implications

Even if the findings are relevant for this specific case of small-medium enterprise, we can suggest that managers have to build strong relationships with their partners across nations, take into consideration the nature of their product when deciding the strategy of adaptation/standardization and be flexible for their partners' requests.

Limitations and Further Research

Directions for further research on the topic can be done because our study has certain limitations. First, empirical findings were collected from two managers of one company. Approaches with multiple information from more types of managers (including the CEO) in the company and with multiple companies greatly enhance the validity of the findings. Secondly, the data were collected for one country and two different field of activity. We believe that gathering data from several countries and from more fields of activity can enhance the richness of the findings. Therefore, in order to generalize the findings further researches have to be conducted in this topic of interest.

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Appendix

Interview guide

What is your name? What is your position within the company? Since when do you work for Bruyere?

Could you define Bruyere, in which field does the firm evolve?

- How old is the firm? Could you tell us its history?
- What is the turnover of the company? What is the number of employees?
- Does the venture focus on Business to Business or on Business to Consumer? What are your customers?
- Does the company own other brand than Bruyere?

Are your offices located somewhere else than in Gosselies?

When was the first step of the firm on foreign markets?

How important your sales abroad are compared to your domestic sales?

Where do you export? What are your most important markets?

Where do you produce your products for the domestic and foreign markets?

Now we are going to ask you specific questions related to our topic which is the adaptation and/or the standardization of the marketing mix of SMEs in foreign markets. We would like you to bear in mind on one hand the internationalization and on the other hand the strategy implemented in those markets.

In this situation, why your enterprise decide either to adapt or standardize the elements of the marketing mix?

What are the firm's characteristics that you take into account?

- What is the added value of your product? In this situation, do you consider having a unique product as being an important factor?
- In this situation, do you think that having an international experience is an important factor?
- How do you decide which strategy you are going to adopt abroad? Who take the final decision? In which ways the organizational structure is a factor to take into consideration?
- How big is the firm's commitment in investing abroad? How big is its resources commitment?

- How big is the support on the foreign market? How the committed resources are implemented on the foreign market?

What are the environment's characteristics that you take into consideration?

- Do you consider an intense competition in the foreign market as being an important factor to take into account when applying your marketing mix?
- Do you consider the environment (economic, social, cultural, political, legal and technological) of the foreign market as being an important factor to take into account when applying your marketing mix?
- Do you consider the infrastructure of the distribution in the foreign market as being an important factor to take into account when applying your marketing mix?
- Do you consider the availability of the medias in the foreign market as being an important factor to take into account when applying your marketing mix?

Now, we are going to focus on questions more specific to each element of the marketing mix

What are the reasons that drive you to adapt your product?
 How do you proceed when you have to adapt your product?
 What are the reasons that drive you to standardize your product?
 How do you proceed when you have to standardize your product?

What are the reasons that drive you to adapt your price?
 How do you proceed when you have to adapt your price?
 What are the reasons that drive you to standardize your price?
 How do you proceed when you have to standardize your price?

What are the reasons that drive you to adapt your distribution?
 How do you proceed when you have to adapt your distribution?
 What are the reasons that drive you to standardize your distribution?
 How do you proceed when you have to standardize your distribution?

What are the reasons that drive you to adapt your promotion?
 How do you proceed when you have to adapt your promotion?
 What are the reasons that drive you to standardize your promotion?
 How do you proceed when you have to standardize your promotion?

Do you have something to add?

Do you reckon that the size of your company impacts the decision to adapt or standardize in comparison with multinational companies? Why?

Something else to add?

