

Roxana Codita

Contingency Factors of Marketing-Mix Standardization

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Contingency Factors of Marketing-Mix Standardization

German Consumer Goods Companies
in Central and Eastern Europe

With a foreword by Prof. Dr. Frank-Martin Belz



RESEARCH

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To my son, Jacob

FOREWORD

The PhD thesis by Roxana Codita focuses on contingency factors of marketing-mix standardization in the context of internationalization strategies. This topic is equally relevant for theory and practice. The theoretical relevance consists in the verification of the (general) contingency theory of marketing-mix standardization in a Central Eastern European Context as well as in the development of a novel theoretical construct regarding product cultural specificity. The practical relevance should be assessed in view of the background of the eastwards enlargement of the European Union: Central and Eastern European Countries are not only interesting as production sites for German consumer goods companies, but as outlet markets as well. Many German companies in the consumer goods sector have significantly increased their export and marketing activities in Central and Eastern Europe during the last ten to twenty years. Therefore the question rises, how they shape their marketing-mix, particularly:

- To what extent do German consumer goods companies standardize their marketing-mix in Central and Eastern European countries?
- How do marketing managers perceive the environmental and competitive conditions in the Central and Eastern European foreign markets (“host”), as compared to those ruling their own (“home”) market?
- Which factors have a significant influence over the degree of standardization of the four marketing-mix elements (Product, Price, Communication, and Distribution)?
- To what extent does standardization contribute to performance on Central and Eastern European markets? What kind of influence does the degree of standardization take upon performance in Central and Eastern European countries?

The empirical work by Roxana Codita provides for detailed and differentiated answers to these questions. The main study regards German consumer goods companies, active in Central and Eastern European markets. Contrary to other studies, concentrating on individual aspects (such as communication), the present empirical research has a comprehensive scope.

One of the key findings is that standardization is greatest in the product area, followed by communication and distribution. The price is generally adapted to realities specific to the national markets. Pivotal influence factors lie in the similarity of consumer groups as well as of marketing infrastructure.

Business performance on Central and Eastern European foreign markets can be explained by product and distribution standardization, on the one hand, as well as by international business experience and global marketing processes and other contingency factors (such as

competition intensity), on the other hand. The positive direct effects of both variables “international business experience” and “global marketing processes” upon performance in foreign markets indicate that internal factors play a key role in gaining competitive advantage in international marketing. This carries significant implications for theory and practice, widely discussed in the last part of the outstanding dissertation at hand.

While presenting both theoretically and empirically interesting results, the excellent dissertation is well structured and fluently written. I highly recommend the book for reading to both researchers and practitioners in the area of international marketing.

Prof. Dr. Frank-Martin Belz

Munich/Freising, October 16, 2010

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Roxana Codita

Freising, October 2010

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LIST OF ABBREVIATIONS

AGFI	Adjusted-goodness-of-fit index
ANOVA	Analysis of variance
approx.	approximately
AT	Austria
AVE	Average variance explained
B2B	Business to business
B2C	Business to consumer
BG	Bulgaria
CD	Consumer durables
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFA	Confirmatory factor analysis
CFI	Comparative fit index
CH	Switzerland
CND	Consumer nondurables
COO	Country-of-origin
CZ	The Czech Republic
DE	Germany
df	Degrees of freedom
e.g.	For example
EE	Estonia
EFA	Exploratory factor analysis
EM	Expectation maximization
EPRG	Ethnocentric, Polycentric, Regiocentric, Geocentric
EU	European Union
FDI	Foreign direct investment
FR	Factor reliability
GDP	Gross Domestic Product
GFI	Goodness-of-fit index
HU	Hungary
i.e.	Id est
IBE	International business experience

IM	International marketing
IO	Industrial Organization Theory
IR	Indicator reliability
ITTC	Item-to-total correlation
LV	Latvia
LT	Lithuania
M	Mean
MNC	Multinational companies
MSA	Measure of sampling adequacy
n	Sample size
n.s.	Not significant
NFI	Normed fit index
No.	Number
p.	page
PCA	Principal component analysis
PCS	Product cultural specificity
PL	Poland
PLC	Product life cycle
PLS	Partial least squares
pp.	pages
PR	Public relations
RMSEA	Root-mean-squared-error of approximation
RO	Romania
SD	Standard deviation
SEM	Structural equation modeling
SI	Slovenia
SK	Slovakia
SME	Small and medium-sized enterprises
UK	United Kingdom
USA	United States of America
VIF	Variance inflation factor
vs.	versus