

# LUISS



Department of  
Business and Management

Chair: Corporate Strategy

## An empirical study of adaptation and standardization practices for European SMEs in the fashion sector

SUPERVISOR

CO-SUPERVISOR

---

Prof. Maria Jell-Ojobor

Prof. Silvia Dello Russo

CANDIDATE

---

Isabella Marsala

ID: 731071

Academic Year 2021/2022

## **Index**

<b>INTRODUCTION</b>	<b>4</b>
<b>FIRST CHAPTER</b>	<b>5</b>
<i>International strategy</i>	5
<i>Knowledge transfer in an international context</i>	6
<i>International strategy for SMEs</i>	12
<i>Corporate social responsibility (CSR)</i>	13
<i>Standardization and adaptation</i>	15
<i>International environmental framework</i>	17
<b>SECOND CHAPTER</b>	<b>20</b>
<i>4Ps of marketing strategy</i>	20
<i>Standardization and adaptation pros and cons</i>	25
<i>Fashion international marketing strategy</i>	27
<i>Hypotheses</i>	30
<b>THIRD CHAPTER</b>	<b>33</b>
<i>Methodology</i>	33
<i>Companies</i>	33
<i>Defining the questions</i>	34
<i>Results</i>	35
<i>Hypotheses verification</i>	38
<i>Discussion of the results</i>	40
<b>CONCLUSION</b>	<b>41</b>
<b>APPENDIX</b>	<b>42</b>
<i>Original interview in Italian [Interview 1]</i>	42
<i>Interview translation [Interview 1]</i>	43
<i>Original interview in Italian [Interview 2]</i>	44
<i>Interview translation [Interview 2]</i>	45
<i>Consensus to the interviews</i>	46
<i>[Interview 1]</i>	47
<i>[Interview 2]</i>	48
<b>SUMMARY</b>	<b>49</b>
<i>First chapter</i>	49
<i>Second chapter</i>	51
<i>Third chapter</i>	55
<b>LITERATURE</b>	<b>58</b>

**Figures index**

Fig. 1 (Lucas, 2006, 261)..... 8  
Fig. 2 (Lucas, 2006, 264)..... 9  
Fig. 3 (Lucas, 2006, 267)..... 10  
Fig. 4 (Lucas, 2006, 269)..... 11  
Fig. 5 (Lucas, 2006, 261)..... 12  
Fig. 6 (Masroor and Asim, 2019, 635) ..... 13  
Fig. 7 (Lahtinen et al., 2020, 359- 360)..... 22

## INTRODUCTION

The starting point of this work is the research question (RQ) that states: *standardization and adaptation, the behavior of the considered companies is in line with the behavior of the literature?*

The analysis that followed the RQ was an exploration of the literature behind the international marketing strategy of European SMEs that operate in the fashion market sector. First the international strategy in general and the CSR were investigated and then they were linked to the main argument of the thesis that consists of the SMEs' strategies of standardization and adaptation.

The literature review is followed by a theoretical framework that contextualizes the companies in an environment in which there are pros and cons of being standardized or adapted and in which companies are most likely to opt for a contingency approach through which they choose a combination of the two strategies. Adopting a personalized method seems to be the best choice for them because they often operate in an uncertain fashion market and with lower resources than larger companies.

The third and final part of this work, will display the empirical experience of two Italian companies operating in the international fashion sector, with which were conducted interviews and tested three hypotheses traced from the literature. The interviews helped the empirical verification of the literature, and, through the hypotheses, the main concepts were tested and proved to be mostly true for real companies as well.

# FIRST CHAPTER

## **International strategy**

Standardization and adaptation are at the two opposite ends of the international marketing strategy of a company and thus, to understand them, it is necessary to lay the foundation of the international strategy through a literature review. International business (IB) has been described many times, for example by Eden et al. in their paper where they defined IB as «Business that crosses national borders, that is, it includes the comparative study of business as an organizational form in different countries, cross-border activities of businesses, and interactions of business with the international environment» (Eden et al., 2010, 58). The idea of crossing borders when talking about international business is frequent and in the paper of Subedi «International business refers to the trade of goods, services, technology, capital and/or knowledge across national borders and at a global or transnational scale. It involves cross-border transactions of goods and services between two or more countries» (Subedi, 2022, 2). To manage a business that transcends one country, the company needs to possess large scale operations and integrate the economies that are involved in the process at the same time being aware of the higher level of competition that unfolds in this context. Not only do the formal institutions change from one country to the other, but also the informal ones, i.e., culture, are quite diverse when the company internationalizes. For this, it is crucial to have a competitive technological development and administer the optimal use of resources (Hitt et al., 2016; Subedi, 2022, Zahoor et al., 2020). Moreover, the company also needs to manage the entry strategy to expand in a market and accurately interpret the exigence and needs of the consumers in that place (Otuedon, 2016).

The global world in which we live in today requires companies to diffuse in every part of it, more than ever before. Multinational enterprises have embraced this change and adopted an international strategy that allows them to take advantage of the expansion rather than being afraid of it. Their attitudes towards internationalization «have changed over time from having “no place to hide” to embracing changes in the global economy» (Hitt et al., 2016, 58). A multinational firm is a term widely used to define a business that has an international expansion, even though a definition of the multinational corporation (MNC) is still not standardized among scholars (Aggarwal et al., 2010; Masroor and Asim, 2019). However, the multinational firm is surely an international business, consequently having an international strategy, and a diversified portfolio is a central and non-negotiable element. In the literature, international expansion takes several forms, but a famous and

common method used to explain the internationalization of firms is the Uppsala model. The model was named after a group of scholars at the University of Uppsala, and it presumes that firms gradually internationalize as they grow. They start slowly from a low resource commitment model and then increase their effort arriving at owning subsidiaries and committing resources to their maximum capacity in the international market (Jin & Cedrola, 2016).

To gain an international strategy is thus central to plan the entering in foreign markets. Hitt et al. 2016 suggest research in antecedents of international diversification. «A portfolio investment in multiple host countries of varying economic cycles and market conditions can benefit firms with more stable earnings than maintaining a focus on domestic markets» (Hitt et al., 2016, 59). Diversifying internationally provides even knowledge transfer and innovation benefits. Hitt et al. found the link between international diversification and MNE's innovation (Hill et al., 1997 in Hitt et al., 2016). However, the limits of the Uppsala model show when considering firms that internationalize rapidly, the so-called born global firms (Jin & Cedrola, 2016). These are firms that started to hastily internationalize starting in the 1980 with the beginning of globalization. These are «entrepreneurial start-ups that, from or near their founding, seek to derive a substantial portion of their revenue from the sale of products in international markets» (Cavusgil & Knight, 2015, 4). Then, the main orientation of born global firms is international and the Uppsala model is not able to explain the existence of these firms. Trying to fill this gap, the model was, later, adjourned by the scholars to incorporate network approach (Cavusgil & Knight, 2015; Jin & Cedrola, 2016) viewing the internationalization as a «multilateral development process» (Johanson & Vahlne in Jin & Cedrola, 2016, 10).

### **Knowledge transfer in an international context**

The changes in the business world in the past decades, with the advancement of information technology and the globalization development bring multinational companies to constantly interact with different cultures and foreign institutions. These circumstances could generate high institutional distance that increases the cost of doing business abroad. Hitt et al. in their paper mention two major types of costs generated by institutional distance. The first is «unfamiliarity hazard» that refers to the lack of information and knowledge about the host country, the second is the «relational hazards» that arises from the lack of trust in the foreign partners (Hitt et al., 2016).

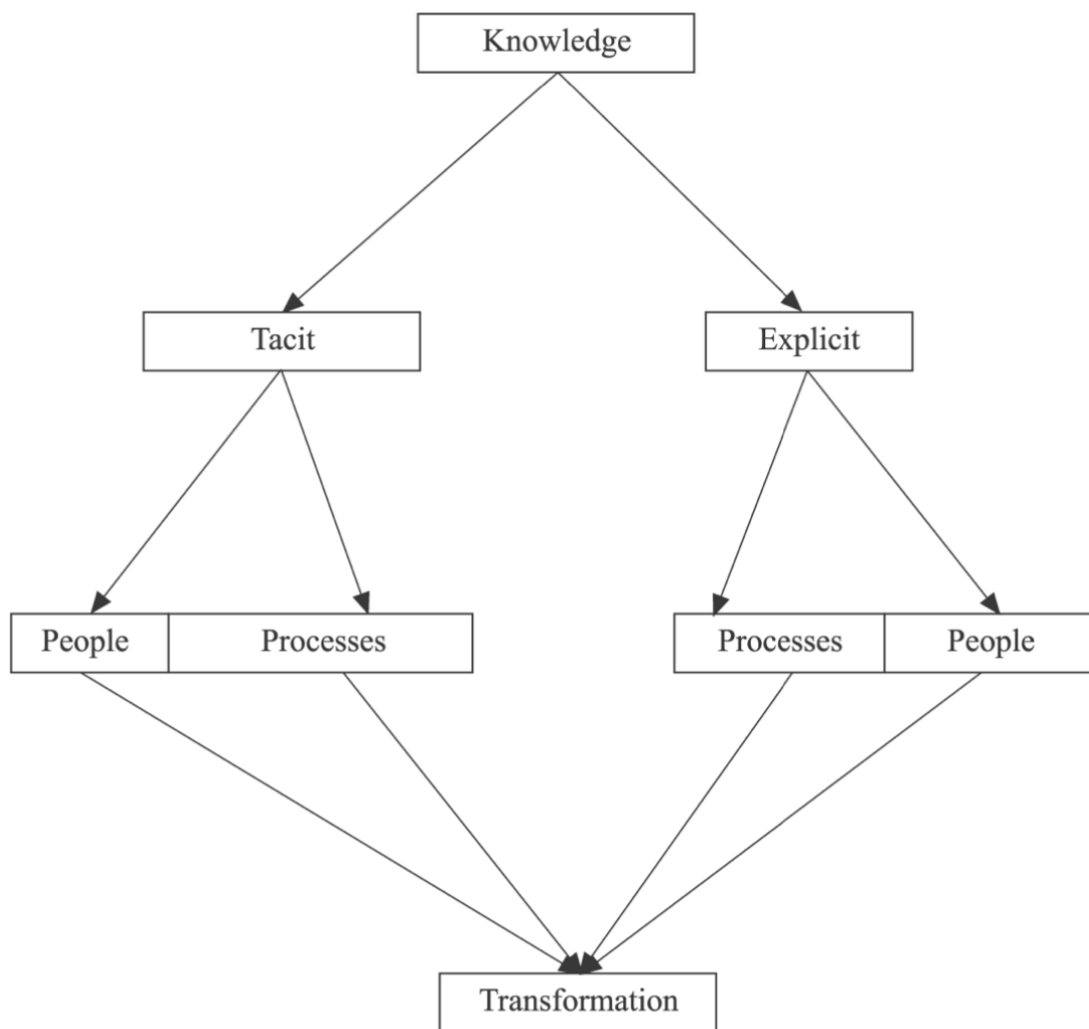
When knowledge transfer is effective it means that the knowledge is shared within the company and so the benefits diffuse. «Knowledge transfer is about ensuring that efforts provide the desired results (effectiveness) and ensuring that the new knowledge becomes embedded within the organization's fabric (institutionalization)» (Lucas, 2006, 259). Firms need to understand the new market

requirements in the host country and then they could decide which capabilities and practices transfer there (Hitt et al., 2016).

The first layer of knowledge is the «type», meaning that knowledge could be tacit or explicit. The distinction between the two implies that the first is a knowledge contained in the know-how and not easily captured in a formal definition and in cognitive dimensions consisting of «schemata, mental models, beliefs, and perceptions so ingrained that we take them for granted» (Nonaka & Takeuchi, 1995, 8). Thus, tacit knowledge is the hardest to transfer because it needs to be converted into something that could be understood from the receiver of the knowledge transfer. The second – explicit knowledge – has quite a self-explanatory name and it refers to the expertise that is codified through a system of rules or procedures and therefore is easier to transfer.

The second layer of knowledge is its «embodiment» that could happen in individuals and processes. The first refers to the expertise that the individuals have achieved with their experience, while the second – process-embodied knowledge – is hinged in routines and subroutines.

The third and final layer of knowledge is the «transformation». In fact, acquired knowledge must suit the new context in a way that could be exploited from the receiver. The image below (*fig.1*) shows the mentioned layers. A successful transfer happens when the knowledge is absorbed by the receiver and then institutionalized. (Lucas, 2006).



*Fig. 1 (Lucas, 2006, 261)*

In the knowledge transfer, culture plays a pivotal role, and it is often the main reason why the transfer happens successfully or not. «MNCs are seen as networks of resources that operate in culturally and geographically diverse regions» (Lucas, 2006, 261). Lucas (2006) explains how culture affects the knowledge transfer and uses Hofstede's cultural dimensions to categorize the differences between subsidiaries allocated in diverse cultures. To do so, the paper considers the first four dimensions of Hofstede's research and offers interesting insights into knowledge transfer.

Regarding individualism/collectivism (IC), Hofstede conceives the individualistic society as a loosely knitted environment, in which the ties that connect the society are quite lax, while in the collectivistic society these ties are tight and the loyalty is unquestioned (Hofstede, last accessed 22/11/2022). The culture's characteristics are reflected in the knowledge transfer process, and, in this case, collectivistic societies expect the knowledge to be property of the society, whereas individualistic perceive that the knowledge belongs to the individual (Kedia & Bhagat, 1988 in Lucas, 2006). Transfer of knowledge



among two collectivistic societies is easier than the sharing involved in individualistic societies. These are more likely to ask questions regarding the beneficiary of the knowledge and be afraid if this beneficiary is not themselves (Lucas, 2006).

		<b>Provider</b>	
		<b>Individualistic</b>	<b>Collectivist</b>
<b>Acquirer</b>	<b>Individualistic</b>	Greater success/low resistance barriers	Limited success; Significant home office involvement
	<b>Collectivist</b>	Limited success; Significant home office involvement	Greater success/low resistance barriers

*Fig. 2 (Lucas, 2006, 264)*

The power distance (PD) dimension of Hofstede refers to the power distribution and «how a society handles inequalities among people». If the PD is high, people accept a hierarchical and structured society, if it is low, the distribution of power is more equal and if an inequality is shown, people with a low power distance will demand an explanation (Hofstede, last accessed 22/11/2022).

In this instance, the best scenario for knowledge transfer is the one in which both parties have a low PD, meaning that they will try to compromise and reach an agreement. On the other side of the spectrum there is the option wherein both try to gain the advantage through an endless battle to compromise and in the end, they succeed because they are forced to reach an agreement. The middle ground is when the parties involved have a different power distance. If the knowledge provider has a large PD and the acquirer a small, the provider will try to employ its power as it is used to, without finding the usual respondent on the other end of the line. The low PD acquirer, in fact, will be disturbed by this management of power and find ways to not abide to it. If, on the other hand, the provider is from a low PD society and the receiver from a high PD, the latter will want to have some control over the transfer process and considers the transfer to be done “on their terms” (Lucas, 2006).

		<b>Provider</b>	
<b>Acquirer</b>	<b>Large</b>	Greater success/low resistance barriers	Limited success; Significant home office involvement
	<b>Small</b>	Greater success/low resistance barriers	Limited success; Significant home office involvement
		<b>Small</b>	<b>Large</b>
<b>Degree of Power Distance</b>			

*Fig. 3 (Lucas, 2006, 267)*

The uncertainty avoidance (UA) refers to the acceptance or denial of uncertainty and ambiguity. If the country has a strong UA is intolerant of what is outside the norm and generates ambiguity, whereas if the country has a low UA is more relaxed and less focused on maintaining strict principles (Hofstede, last accessed 22/11/2022). If the knowledge provider works in a weak UA society and the acquirer in a strong UA society, the knowledge transfer is easier because the receiver will try to improve its way of doing things and what better way to do it than receiving the coveted knowledge. The problem arises in the case of both subsidiaries being strong on UA. In this instance, the high uncertainty that follows a new knowledge will be taken badly by people not used to dealing with uncertainty and they will opt to do the things in the same way they are used to (Lucas, 2006).

		<b>Provider</b>	
<b>Acquirer</b>	<b>Strong</b>	Limited success/high resistance barriers	Limited success; Significant home office involvement
	<b>Weak</b>	Greater success/low resistance barriers	Limited success; Significant home office involvement
		<b>Weak</b>	<b>Strong</b>
<b>Level of Uncertainty Avoidance</b>			

*Fig. 4 (Lucas, 2006, 269)*

The last dimension of Hofstede considered is masculinity/femininity (MF). The masculine tendency represents a society in which achieving objectives and being materially rewarded feels more satisfying than cooperating and reaching a decision through a «consensus-oriented» procedure (Hofstede, last accessed 22/11/2022). In the case of the knowledge transfer, if both parties are from a masculine society, there is the risk of them wanting to have an advantage or to gain something from the transfer of knowledge. Instead, when both elements are from feminine societies, it is more likely that they will resort to compromise and dialogue and then obtain a fruitful knowledge transfer. When the parties are from different societies on the MF spectrum, the successful exchange happens if the provider is in a feminine culture, thus willing to share the knowledge, while the acquirer is in a masculine culture, satisfied by obtaining the knowledge (Lucas, 2006).

		Provider	
		Masculinity	Femininity
Acquirer	Masculinity	Greater success/low resistance barriers	Greater success/low resistance barriers
	Femininity	Limited success; Significant home office involvement	Greater success/low resistance barriers

**Degree of Femininity/masculinity**

Fig. 5 (Lucas, 2006, 261)

Hofstede's dimensions represent a valid starting point to understand the international context in which multinational companies constantly move. In any case, an effective knowledge transfer that enhances the MNE's competitive advantage is a transfer in which the process is not a one-way route, but in which the subsidiaries contribute as well with their strategic resources regarding knowledge. The possession of these assets heightens the subsidiary's influence towards the headquarters, producing a two-way dialogue that benefits both the home and the host country (Hitt et al., 2016).

### International strategy for SMEs

The internationalization of Multinational companies is widely discussed in literature, while the international strategy for small and medium enterprise (SME) is a lesser discussed topic.

There is not a unified definition of what a SME is, but it is recognized that, for their reduced size, SMEs are «subject to common constraining attributes, such as limited human, financial, and informational resources» (Zahoor, 2020, 427). The mentioned limitations appear in comparison with Large Scale Manufacturing (LSM).

Every country has a different way to categorize SMEs and, in this thesis, will be used the European definition, given that the focus is on the EU firms. Moreover, the last part of the thesis will involve interviews to companies that belong to the EU and are SMEs. As it is visible in *fig. 6*, are considered Small and Medium the enterprises that deploy under 250 employees with a 50 million turnover and maximum 43 million worth of balance sheet (Masroon and Asim, 2019).

Category of the Enterprise	Number of Employees	Turnover	Balance Sheet
Medium	< 250	€ 50 million	€ 43 million
Small	< 50	€ 10 million	€ 10 million
Micro	< 10	€ 2 million	€ 2 million

*Fig. 6 (Masroor and Asim, 2019, 635)*

Before diving into the standardization and adaptation approach for SMEs, it is better to briefly see what the implications for these companies' international strategy are. SMEs that operate in international markets are increasing (Nummela et al., 2006 in Musso & Francioni, 2014) and currently they represent the prevalence of firms' categories in most countries (Musso & Francioni, 2014), then it is important to address the way in which the process of internationalization impacts the SMEs as well. Given the smaller size of SMEs, studies have shown how they usually do not have the capacity to adapt international strategies with the rationality and the possibility of planification of LSM but rather thanks to "non-rational" reasons. The entry mode choice, which is critical for multinational companies, follows reasons that are not in line with the logic and systematic market decisions but rather are opportunistic. The international strategy for SMEs is limited by their circumstances and their reduced economic capacity compared to larger companies (Hitt et al., 2016; Musso & Francioni, 2014).

### **Corporate social responsibility (CSR)**

Multinational companies move in an international context and year after year they have the necessity to increasingly adopt measures of Corporate social responsibility to address issues of «their social, environmental and human rights externalities» (Levis, 2006, 50). Corporate social responsibility is a concept that has gained momentum in the last thirty years and is becoming nowadays vital for companies to comply with measures of social responsibility. «Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment, and the relations with stakeholders». (Commission of the European Communities 2001, 6). Companies that do not comply with these measures appear to their stakeholder less committed to their values and, consequently, they weaken their image and the company's (Levis, 2006).

Corporate social responsibility is a multifaceted concept and has an internal as well as an external dimension. Regarding the former, socially responsible practices comprehends various areas, among which the human capital sphere. This sector has a double edge, on one hand it has the purpose of hiring workers, on the other it is about the members' and managers' personal values. Hiring workers according to corporate socially responsible practices means using non-discriminatory procedures and an accurate management for the employees' learning (Commission of the European Communities, 2001). The members' and manager's personal values, on the other hand, are crucial in the company's actions, which inevitably will reflect those values (Levis, 2006).

Another aspect of the internal dimension of CSR is health and safety at work in which there is an increasing demand for measures and data pertaining to the adoption of health measures in the company itself. Adopting a CSR means also correctly managing the resources without damaging the environment. Companies are incentivized in this sense to invest in the environment, ideally generating a «win-win» outcome in which both the enterprise and the climate receive benefits. Hence, companies that want to adopt socially responsible measures need to reshape their procedures to accommodate changes that become more important every year (Commission of the European Communities, 2001). The external dimension of corporate social responsibility interests the corporate social responsibility outside the company. It involves the local communities that are intertwined with the company thanks to the jobs that the company provides and the way in which it is reliant, in turn, on the «health, stability, and prosperity» of the communities. The other actors in the external dimension of the company are the business partners, suppliers, and the final consumers. The issues that are central for managing a proper external social responsibility are human rights and the global environmental aspect (Commission of the European Communities, 2001).

Complying to the internal and external dimension of corporate social responsibility, allow companies to maintain their reputation among their peers. Reputation, as a matter of fact, is one of the main assets of companies and the possible damage to it is a real risk for them. Eventually, a companies' reputation will influence the other's as well, thanks to a so-called isomorphism phenomenon in which the CSR adoption provides a signal for the others that, pressured by stakeholders and their peers, will tend to do the same (Levis, 2006).

As De Bettignies and Lépineux highlight in their paper “Can Multinational Corporations Afford to Ignore the Global Common Good”, the concern for the global common good is not, anymore, solely the prerogative of the state. «Other actors such as corporations, NGOs, or civic constituencies, are becoming co-responsible with the state for seeking the common good». (De Bettignies & Lépineux 2009, 175). They define them as «those goods that are necessary for all the peoples of the world, and for the citizens of all nations, to achieve their individual fulfillment» (De Bettignies & Lépineux 2009,

161). Common good is now in the hands of corporations that often reach the economic might of states and their Corporate social responsibility seems a way for them to be accountable for their actions in the society. At the time of the De Bettignies & Lepineux paper's publication the three major evolutions that would have induced companies to consider the global good were: preservation of the biosphere, rise of an anti-globalization sentiment and the necessity to design a social contract. Today thirteen years later, the tables have turned, and the biosphere needs not to be preserved anymore, but to be saved from the impending doom that our society seems to perceive so vividly. The globalization sentiment is still present but is quieter in the face of the much larger than before expansion of capitalism worldwide and the designing of a social contract of a multinational breadth seems far out of reach like it was in 2009.

### **Standardization and adaptation**

Corporate social responsibility, however, in this thesis will be screened under the aegis of international SMEs in Europe. Precisely the focus will be whether they opt to choose a standardization or adaptation approach to their international marketing strategy.

«Hence there seem to be two conflicting pressures on CSR management of companies. The pressure for localization due to different societal concerns, values, and norms on the one hand and the pressure for standardization and coordination of decision making due to interrelated business activities, external effects and global “tastes” or values». (Bustamante & Silke 2011, 6). Both standardization and adaptation refer to the export marketing strategy of the company and are considered regarding the four marketing Ps: product, price, promotion, and placement. The third option for a company, rather than standardization and adaptation, is the contingency approach. Before diving into those concepts for the SMEs, it is better to mention their definitions in the literature and the debate still lingering on the best solution among them.

A standardized approach to the export marketing strategy is one in which the «consumer tastes and cultures are homogenized and satisfied through the provision of standardized global products created by global corporations». (Vrontis et al., 2009, 480). Corporations, thanks to the globalization of the markets, can standardize their marketing strategy and thus are able to benefit from the simplification of their processes. With a world becoming more and more homogeneous, through standardization «companies can promote a global corporate image that is more easily remembered» (Vrontis, 2003 in Larsson & Jakobsson, 2019, 13). This approach received criticism by the ones who highlighted the importance of a «localised approach that would assist to adapt products and strategies to the specific characteristics of individual markets in different countries». (Otuedon, 2016, 46).

An adaptation approach is one that tailors the marketing mix elements to meet the «needs and wants» (Vrontis et al., 2009) of the target markets as these markets are distinct from one another and it is impossible to tailor a unified strategy for them (Vrontis et al., 2009; Fuchs and Köstner, 2015). A more localized approach has also the benefits to pursue the resources and capabilities that the foreign countries have to offer (Hitt et al., 2016). Adaptation for these authors seems to be necessary to «fit the unique requirements in different geographical locations» (Kashani 1989 in Larsson & Jakobsson, 2019).

However, the literature shows how in reality companies hardly decide to adopt solely one strategy, while they more often apply a mix of the two, the so-called contingency strategy. The option of standardization or adaptation are two opposite poles of a spectrum of choices. «The key idea of the contingency approach is based on a belief that a fit between internal and external environments equals success» (Fuchs & Köstner, 2015, 309). The fit of standardized or adapted approaches could change from company to company (Fuchs & Köstner, 2015; Nasir & Altinbasak, 2009) and it is often a challenge to decide how the two sides should adjust to accomplish the optimal result. As it is mentioned in Fuchs & Köstner (2015) the strategic choices leaning towards one side or the other should consider the external environment, the firm-specific characteristics, and the management characteristics. «In real life both approaches exist in parallel» (Larsson & Jakobsson, 2019 p. 14) and firms continuously search the middle ground between standardization and adaptation (Douglas & Wind, 1987; Vrontis 2003; Nasir & Altinbasak, 2009; Larsson & Jakobsson, 2019).

In the years the debate about the best form of international marketing strategy has taken different turns (Nasir & Altinbasak, 2009). Since 1961 the subject has started to be debated and the focus was on the idea that the advertisement should happen worldwide (Larsson & Jakobsson, 2019). At the outset, in fact, the homogenization of markets due to globalization had encouraged companies to seek a standardized approach. This was further encouraged by the «advances in communication and transportation technology» (Nasir & Altinbasak, 2009, 18). Thanks to technology a new global market had emerged, and the proponents of the standardized approach were appalled by the level of interconnectedness generated by globalization. For them having a standard approach for every country was the only solution. «Worldwide communications carry everywhere the constant drum-beat of modern possibilities to lighten and enhance work, raise living standards, divert and entertain». (Levitt, 1983, 3). Today the discourse has been enlarged and not only comprehends the aspect of communication – thus advertising – but also the complete marketing mix (Larsson & Jakobsson, 2019). On the other hand, proponents of the adaptation approach support the idea that the supposedly uniformity of the world's tastes is not as thorough as the supporters of standardization would like to



believe. Cultural differences among countries are still majorly relevant and should be considered by companies when deciding for one approach or another (Larsson & Jakobsson, 2019; Lucas, 2006).

### **International environmental framework**

As it is shown in the paragraph about knowledge transfer, cultural distance could be a detrimental aspect of the cultures involved in the exchange and the greater it is the distance from one culture to another, the more the firm needs to work with «information asymmetries, uncertainty and risks associated with foreign operations». Therefore, firms need to be at the helm of cultural distance and manage it (Hitt et al., 2016), not to succumb under the pressure, but to benefit from it. The cultural aspect is still quite a litmus paper for the proponents of an adaptation approach to bring forward, but it is not the only aspect that matters in the choice of standardization or adaptation for the company's strategy. Thus, it is better to clear the path about the decisions and the factors considered in the choice of standardizing or adapting, as it is viewed in the literature.

One interesting framework that could help to categorize the factors influencing the company's decision is the one proposed by Nasir & Altinbasak (2009). They mention the importance of environmental factors regarding the company and customers, also distinguishing between external and internal drivers. The main difference between the two is that the external factors, unlike the internal, are not controllable by the company.

The first external driver is the «economic climate», meaning the economic conditions of the country in which the company decides to expand its operations. Therefore, this dimension comprehends the market structure of the country and whether it presents similarities with the headquarters. If the country is like the home country, it will be easier to operate and if the competitive sphere in which the operation will take place is understood, the transition in the new country will be smoother. There is not only the market, but also the humans that constitute the consumers of a company and the human capital of the enterprise (Nasir & Altinbasak, 2009). It is important to outline the customer clusters across national boundaries who share the same characteristics and to assess their spending habits. The human capital, on the other hand, refers to the employees, that could be local (host country) or from the firm's home country. In this choice are contemplated both the costs and the skills' discrepancy in employing home or host country workers (Ko et al., 2007; Nasir & Altinbasak, 2009). For example, «engineering activities can be carried out in a few countries where world class engineering skills exist, whereas labor intensive manufacturing can be concentrated in low-cost labor countries» (Hill 1996 in Nasir & Altinbasak, 2009).

The second external driver is the «technological expertise» of a country. The level of technological development of the country plays a role and the standardization is easier for industrial products (Nasir

& Altinbasak, 2009), with certain exceptions. Even if, before, scholars implied that a fast and early internationalization pertained to highly technological industries, further research suggests that early and rapid internationalization could interest many other sectors (Cavusgil & Knight, 2015). The development, however, is not the only factor considered. Also, technological readiness is taken into consideration and considers the number of «technology-savvy people and the level of technological readiness» that incentivizes a higher adaptation by the companies. The last element in the «technological expertise» is the media infrastructure of the country that is influenced, in turn, by technological readiness of its citizens.

The third external driver is the «political and legal factors» of a country, meaning the laws and regulations. Companies will expand more in countries that have freer regulations and higher potential of profit. The same is for the standardization approach which is feasible if the regulations are similar to the country of origin of the company and the entrance barriers are low.

The last external driver is the «culture-customer interaction». As it was previously mentioned in this study, culture plays a major role in the decision of standardization or adaptation by the companies as well as the social customs and traditions of a country. The latter influences the «consumer socialization» mentioned in the paper of Nasir & Altinbasak, which refers to the «process by which children learn how to behave as a consumer through their parents». The other two factors included in the culture-customer interaction are the language of the country and the ethical issues. The language comprehends verbal and non-verbal communication, which is influential in certain cultures. The second, – the ethical issues – regard corruption, which could be seen as a normal life occurrence in certain cultures.

The internal factors that influence a company adaptation or standardization decisions are controllable by the company but at the same time are intertwined with the external factors. The first mentioned is the «corporate strategy» meaning the company's strategic orientation, thus the desired degree of standardization of the «strategic resource» and of the «strategic content». The strategic orientation in the literature has assumed two main strands: a proactive oriented strategy, which makes the effort to create a long-term competitive advantage and a reactive orientation which places less value on long-term planning and focuses more on reactive behavior. Moreover, it also depends on the management orientation. Nasir & Altinbasak mention in their paper the research of Perlmutter that highlighted three strategic management orientations: ethnocentric, polycentric, geocentric. These categories were later enlarged by Wind, Douglas and Perlmutter to also include the regiocentric orientation. Companies that pursue an ethnocentric orientation in their management will be more prone to follow standardization, while companies that are polycentric are more oriented towards adaptation. The geocentric orientation instead is preferred by companies with a contingency approach. The marketing

mix strategy is also an internal decision and in the next chapter of this thesis it will be analyzed more in depth. The foreign market entry mode is the last category of corporate strategy and Nasir & Altinbasak use the broad categories of high control mode (“e.g., wholly owned subsidiary, majority owned subsidiary etc.”) or low control mode (“e.g., licensing, different types of contractual relationship”) to distinguish the firm’s international strategy. High control requires more commitment in the entry modes, while a low control mode demands less commitment while at the same time bringing additional risks.

Internal is also the «company culture» linked to the managerial philosophy, leadership style and to the degree of formalization. The latter represents the degree of centralization or decentralization that the company reaches and the formalization in the decision-making process. Also, the country-of-origin effect could either set a barrier or facilitate the business internationalization and could differ from country to country, hence influencing the standardized or localized approach.

The third internal factor is «company size and scope». The company size is a crucial variable that influences the decisions about internationalization. Generally, larger companies expand more in foreign markets and prefer at least a standardized worldwide image. Another component of “company size and scope” is the industry factor which refers to the «type of product, the technology orientation of the industry and the stage of the product life cycle» as well as the international experience of the firm and its financial strength.

The last internal factor influencing the decision of standardizing or adapting are the «company outbound relations». This means the company’s relations with other companies as well as the ones established with customers. The latter necessitates the implementation of Customer relationship management (CRM) tools, meaning the interactions with customers across all touchpoints available (Nasir & Altinbasak, 2009).

## SECOND CHAPTER

### **4Ps of marketing strategy**

The second chapter of this thesis will delineate the theoretical framework upon which to build the subsequent empirical part.

The chapter will revolve around the concepts of standardization and adaptation for SMEs in the fashion sector. As it was mentioned before, the marketing mix strategy is an internal decision and an important block to lay before proceeding is the concept of marketing mix and the 4 Ps of marketing. In the chapter before it was only mentioned, but in this paragraph, it will be explained at length.

Historically, the schema of the 4 Ps was first proposed by McCarthy in 1960, who defined the marketing mix as «the choice of the tools which the company intends to combine in order to satisfy [a] target group» (McCarthy, 1960 in Lahtinen et al., 2020). The classification comprehends four categories: Product, Price, Place and Promotion and was widely used in the literature, becoming the most used categorization of marketing mix, so much as to be called the “traditional classification” (van Waterschoot & van den Bulte, 1992; Işoraitè, 2016).

This thesis is focused on SMEs and marketing processes which are becoming increasingly relevant for the success of SMEs to achieve a long-term competitive advantage (Bocconcelli et al., 2018). It is for this, that a classification of these processes is needed and, in this thesis, it will be used the McCarthy’s for its «explanatory power and exhaustiveness» (Anderson & Taylor, 1995 in Lahtinen et al., 2020), considering also that the interviews in the empirical part necessitated a simplified schema to be based upon. However, it could not be left unsaid that the 4Ps method still holds some issues that were highlighted in the literature (van Waterschoot & van den Bulte, 1992, Lahtinen et al., 2020). For a more well-rounded point of view, in the *fig.7* below, it is visible a selection of the attempts to modify the 4Ps. Additional Ps have been added in the literature, arriving to 25 additional from the 1960 (Lahtinen et al., 2020).

Author	Product	Price	Place	Promotion
McCarthy (1960)	A tangible object or intangible service that is produced or manufactured and offered to consumers in the market	The amount a consumer pays for the product or service, normally an economic cost	The location where a product or service is purchased. This can include physical stores, as well as virtual online outlets that facilitate direct exchange	The communication tools and techniques used above and below the line by marketers in the marketplace. Methods include advertising, public relations, personal selling and sales promotion
Staudt and Taylor (1965)	Product/services mix: 1. The actual product line which finally emerges is known as the product mix 2. It helps to cultivate demand and assure both proper product performance and customer satisfaction (pp. 34-35)	N.A.	Referred to as the distribution mix, where wholesalers and retailers help in the process of physically moving goods to the centres of demand and assembling unique assortments of goods to match different segments of demand (pp. 34-35)	Referred to as the communication mix. Includes activities such as personal selling, advertising, sales promotion and dealer training. These activities are organised into a unified force to help achieve market targets (pp. 34-35)
Lipson and Darling (1971)	The combination of a physical product, product services, brand and package desired by customers of the target market segments (pp. 590-593)	A particular mixture or combination of basic price, price alterations, credit and transportation and handling terms (pp. 590-593)	Distribution mix is the combination of marketing channels, storage facilities, inventory control procedures and shipping facilities put together by marketing administrators to create the time and place utilities required by customers (pp. 590-593)	Communication mix is the combination of advertisements, personal sales, special promotions and public relations activities assembled by the marketing administration to inform and to persuade buyers to engage in customer market transactions that will satisfy the goals of both selling and buying systems (pp. 590-593)
Bruner (1989)	The concept mix is all the varied goods, services and ideas that together compose the object of an exchange as viewed by the consumer	Cost mix refers to all exchanges having pre- and post-choice costs associated with them, including monetary and non-monetary costs	Channels mix refers to the many flows and intermediaries involved in facilitating an exchange	Communication mix includes promotion, as well as marketing research and consumer affairs

Author	Product	Price	Place	Promotion
Van Waterschoot and Van Den Bulte (1992)*	Product mix includes instruments that aim for satisfaction of the prospective exchange party's needs	Price mix includes instruments that fix the size and means of payment exchanged for the goods and services	Distribution mix includes instruments that determine the intensity and manner in which the goods or services will be made available	Communication mix includes the mass communication mix, which is the non-personal communication efforts aimed at announcing the offer or maintaining awareness and knowledge about it; personal communication mix, which is the personal communication efforts aiming at announcing the offer or maintaining awareness and knowledge about it; and publicity mix, which is efforts aiming at inciting a third-party communication about the offer
Nickels and Wood (1997)	Product development and differentiation is the creation or improvement of a product to meet the needs and desires of customers (pp. 23–24)	Valuation and pricing is the process that buyers and sellers use to determine whether a marketing exchange will be beneficial (pp. 23–24)	Channel management involves the organisations moving the good from producers to consumers, and value chain management includes the linkage of activities that must be performed by suppliers and channel partners, as well as by producers, to create and deliver a value package that satisfies customers (pp. 23–24)	Integrated marketing communications include advertising, direct marketing, sales promotion, public relations, personal selling and word-of-mouth communication (p. 508)
Yudelson (1999)**	Performance: product should be redefined as all the benefits (present or anticipated) that the buyer or acquirer obtains from the exchange	Penalty: price is everything that the acquirer gives up to obtain the benefits	Process: place refers to all that is done and required to facilitate or bring about the exchange	Perception: promotion includes all of the information that is conveyed between the parties to the transaction, in keeping the current thought on integrated marketing communications

Fig. 7 (Lahtinen et al., 2020, 359- 360)

«Effective marketing mix management enables marketers to create a combination of elements that will enable wisely manage the company's budget in order to achieve the desired objectives» (Išoraitė, 2016, 26). For the purpose of this thesis, now the marketing mix components will be analyzed in their peculiarities, without neglecting to analyze their connections to standardization and adaptation.

Culture surely plays a role in influencing the international marketing mix, but Larsson & Jakobsson mention in their thesis the work of Doole & Lowe (2001) in which they point out how more specific characteristics that influence marketing are: «language, religion, values and attitudes, education, aesthetics, law and politics, technology and material culture, and social organization». However, the components are not all affected by the same elements.

The product component still needs to satisfy customer's needs in the countries in which the company is expanded; thus, the cultural component is strong in assessing the product customization. «The product needs to be compatible with the national culture of the target market (Onkvisit & Shaw, 2004 in Jin & Cedrola, 2016) underly also the need, for the product category of the marketing mix, to be distributed through a geographically coordinated structure that needs to be adapted accordingly. In their paper Jin & Cedrola call attention to the crucial necessity for products to be customized at a local need, leaning more towards adaptation than standardization. To this discussion, Leonidou et al. (2002) added their "meta-analysis" which found that target-market-induced adaptation is positively related to export success (Leonidou et al., 2002 in Fuchs & Köstner, 2015). In their study on Austrian firms Fuchs & Köstner (2015) demonstrated also how for European countries product adaptation was positively related to profitability. However, they also found that there existed a «negative relationship between competition in the export market and the degree of product adaptation» (Fuchs & Köstner, 2015, 321). The authors have explained the seemingly counterintuitive result with the complexity in adapting a product in all its aspects (design, brand name, variety of lines etc.) to a foreign market, especially with a reduced scope as the one of SMEs.

The price component is influenced by other factors, more tending towards the customer's financial situation and the economies of the countries considered. Larsson & Jakobsson (2019) reference in their study the work of Birnik & Browman (2007) in declaring that price should be the least standardized of all the four McCarthy's components. This is due to local conditions changing from country to country as in all the other 4Ps, but the elements considered in prices have a more thorough influence on the consumers, because they interfere with their purchasing power and the flourishing of their country (Larsson & Jakobsson, 2019). It is worth mentioning the impact of the online sector in the price sphere that has gained importance in the latest years. Online is a way of entering international markets that nowadays is well established and benefits small-medium sized enterprises.

As a matter of fact, «apparel is the most popular item purchased by global consumers online» (Jin & Cedrola, 2016, 20).

The component of place relies on the «disposable income and purchasing habits of customers». This factor presents complexity in the standardization process when the two countries differ in availability of venues from one another (Larsson & Jakobsson, 2019, 20).

The component of promotion is perhaps the most discussed in the literature when referring to the choice of standardization or adaptation of the marketing mix. The promotion component takes into account factors linked to language and general differences in the media awareness and availability in the countries. Adaptation is highly needed when the markets require a translation of the promotion in the local language. Standardization, however, still could be the choice when deciding an advertising campaign low on the cost-aspect. Even slight changes in adapting to a country could yield higher reward (Larsson & Jakobsson, 2019). Markets with similar economic development could then standardize their advertising leading to better financial performance. Also, having a standardized promotion component helps companies to «build a consistent image across markets, especially when there is intense competition» (Okazaki, 2006 in Nasir & Altinbasak, 2009; Ko et al., 2007). Culture also plays a role and countries similar to the home country could standardize more their promotion strategy. Ghauri & Cateora mention that culture affects promotion more than the other components (Ghauri & Cateora, 2014 in Larsson & Jakobsson, 2019). In the end, however, when marketing mix strategy is considered on an international level, the higher success is reached when clusters of consumers are identified across countries (Nasir & Altinbasak, 2009). The paper of Ko et al. (2007) investigated this consideration, evaluating whether market segments could be drawn cutting national boundaries regarding the fashion sector.

The evidence of the study suggested that there are cross-national segments to be used by global brands. These clusters in the study cut across Europe – France specifically – Korea and the US and the authors suggest targeting them in global advertising campaigns, to appeal to consumers from multiple nationalities. The first segment is the “information seeker” (26,6%), which refers to the consumers who are interested in fashion and adjourn themselves by consulting magazines and shopping from a variety of stores. The second segment is the “sensation seekers” (29,5%) consumers, who value aesthetic elements and is willing to cultivate clothing taste and assign a high priority in aesthetic aspects. The third segment is “utilitarian consumers” (25,2%), who are concerned about comfort and functionality, and value their clothing in utilitarian terms. The last is the “conspicuous consumers” (18,5%) who value clothing for their quality and for the subsequent status attached to «high-priced, high-prestige brands because of the acknowledgement it brings from others» (Ko et al., 2007).



Considering that apparel is the most popular item purchased by global consumers online (Jin & Cedrola, 2016) clusters could help to move easily through one country to another and apply a marketing mix selection with international breadth. To do so, it is needed an understanding of the pros and cons of standardization and adaptation that will be analyzed in the next paragraph.

### **Standardization and adaptation pros and cons**

The international environmental framework from Nasir & Altinbasak (2009) in the previous chapter and the four McCarthy's 4 Ps of marketing strategy has helped to define the challenges of the companies, therefore the last piece of the theoretical framework will be layout of advantages and disadvantages of standardization and adaptation. These pros and cons are to be considered still under the umbrella of SMEs that, as it was already discussed previously, sustain their specific limitations in size and scope. Regarding standardization, the benefits are various and here it will be used the classification from Otuedon (2016):

- **Economies of scale:** global companies benefit from economies of scale to reduce costs and prices and, as Otuedon (2016) mentions, they benefit from «economies of simplicity and standardisation».
- **Transfer of expertise and know-how:** standardization enhances transfer of knowledge sharing, which was proved to be a key element for global companies (Otuedon, 2016; Lucas, 2006). «With strategic partners, organisations can access resources and experiences that the organisation does not have, or that would be too costly to develop and maintain» (Hultberg & Pal, 2021, 692-693).
- **Reduction of costs and prices:** the element of cost reduction is perhaps the most intuitive when analyzing international companies. Selling products with a wide range of operations leads to reduction of prices thanks to the lowering of operating costs. Centralization of core activities can also reduce administrative costs (Otuedon, 2016; Hultberg & Pal, 2021).
- **Uniform image:** standardization could help projecting a consistent image internationally. Otuedon (2016) mentions the example of the Nigerian population who wants to experience the same products of Americans.
- **Enhanced customer preference:** the experience of consumers with a standardized approach results in a uniform experience worldwide.
- **High quality:** Otuedon refers to Levitt (1983) to advocate for the quality and reliability of products on an international and standardized level. «Homogeneity of markets has enhanced customers' taste and preference for high quality products across national markets».

- **Easier control and coordination:** the last advantage of a standardized approach refers to the control reached through coordination on an international level of product because of the so-called “economies of simplicity” (Otuedon, 2016).

Whatever the advantages of standardization, the strategy bears still some disadvantages that need to be mentioned:

- **Government and trade restrictions:** could damage the standardization internationally. However, in the case of this thesis, where companies from the EU are considered, the effect of government and trade restrictions is reduced compared to the global arena, thanks to the agreements between the European countries that softens the hedges of the relationships.
- **Difference in customer interests and response patterns:** tastes may differ from one country to another (Otuedon, 2016), even in cases of a supposedly homogeneous group like European countries.
- **The nature of the competitive structure:** Otuedon (2016) mentions in this aspect the sensitiveness to price of consumers in less affluent countries. The decision of the localization of prices, in a similar context, is a key element of choice.
- **Market characteristics:** is the last disadvantage of standardization and regards the «physical environment, cultural and social factors, language and macroeconomic factors». Also, in this case the culture’s aspects are central among the characteristics of the market that should be considered by companies (Otuedon, 2016).

Adaptation as well has some pros and some cons that must be understood before proceeding to the empirical testing. The advantages of adaptation are:

- **Easy acceptability:** having an adaptation approach in the marketing strategy tailors the strategy to the country, consequently it is easier to accept for the people in the foreign state. Hiring local managers could help in this area, allowing them the flexibility to smooth the edges when needed (Otuedon, 2016; Hultberg & Pal, 2021).
- **Responsiveness to local needs and market:** adaptation helps to bend the strategy according to the local environment of the new market.
- **Expedites local business development:** adapting means also to merge to the local environment in the competition sphere of the new country.

- **Strengthens local content:** adaptation support the local market and helps the knowledge sharing between the company and the local workers in the host country (Otuedon 2016).

Adaptation has some disadvantages as well, which will be listed below:

- **Increased operating costs:** as it was intuitive that standardization would have been the cheapest option, the contrary could be said for adaptation. Localizing the strategy is pricier than using a unified approach for all the markets.
- **Limited control and coordination:** adapting to each market means that the company's control is inferior to a business with an international standardized strategy that uses the same for every market.
- **Lack of uniform image:** localizing to every market means that a uniform global image is limited by the local peculiarities of the various markets.
- **Lack of transfer of experience and know-how:** the localization could hinder the knowledge-share between countries or betwixt also regional areas.

Otuedon concludes his analysis emphasizing the importance to adopt a contingency approach. As it was mentioned in the literature review of this thesis, a contingency approach merges some elements of standardization and adaptation, and it is often chosen by companies on an empirical level (Otuedon, 2016).

### **Fashion international marketing strategy**

The fashion sector is highly internationalized, with a significant part of their revenue generated outside the home-country of the companies. Internationalization is a phenomenon that has its roots in the past for the fashion sector, but nowadays the global sphere has become even more central for brands, especially for fast-fashion brands. In this context is more important than ever to understand the local culture of the countries in which the company operates (Jin & Cedrola, 2016).

Saviolo & Testa (2005) offered a compelling classification in their study, bearing in mind the price and competitive strategy used by fashion companies. They also considered the element of CSFs, which stands for Critical Success Factors and means «product innovation, quality, and brand image». The result divides the market into five segments:

- **Couture:** fashion luxury global brands.

- **Prêt-à-porter:** seasonal products and comprehends luxury brands that are more on the classical side and offer more carry-over.
- **Diffusion:** brands with the same CSFs than prêt-à-porter, that are industrial.
- **Bridge:** products between “diffusion” and “mass”. For this category, service level is more important than style.
- **Mass:** the least customized category, which covers big volumes and distribution. (Saviolo & Testa, 2015 in Bandinelli et al., 2013)

It could be argued, drawing inspiration from the literature review, that the “mass” segment is the one oriented more towards a standardized approach, while the “couture” segment offers to consumers a more tailored approach and, thus, adapted. Indeed “couture” and “mass” are two ends of a spectrum the same way that standardization and adaptation are.

Moreover, regarding the general characteristics of the fashion sector, the industry is characterized by the necessity to keep a high number of Stock keeping units (SKUs) in a year, following the requisite of having a product in a wide range of sizes for each kind. Another feature that distinguishes fashion sector from the others is the unpredictability of its market. The demand of fashion products is arduous to foresee and therefore the supply chain and stock management are a complex affair.

One last characteristic that renders the fashion market even more unpredictable and unique is the symbolic meaning bestowed to fashion products. Brand names are relevant for fashion’s consumers, and it is the brand’s name that often drives the evaluation of these products (Jin & Cedrola, 2016). Kumar & Steenkamp (2013) have proposed a spectrum of product categories in which clothes’ quality is the second hardest to judge, right after make-up. In these two sectors the quality becomes secondary to the consumer’s perception, which is, in turn, influenced by the brand’s image (Kumar & Steenkamp, 2013 in Jin & Cedrola, 2016).

This thesis inserts itself in this wide context and the choice of focusing the third and empirical chapter on Italian SMEs is due to the prevalence of SMEs in Europe and the fact that Italy is a leader in the internationalization of global fashion brands through Small and Medium Enterprises. As of the data used by Jin & Cedrola (2016), only the 0,12% of clothing firms employed more than 250 people. Moreover, this study has the intention to analyze the SMEs approach to internationalization through their marketing strategy.

When internationalizing, market research is a key prerequisite to enter new markets, both domestic and foreign. It serves to interpret the consumers’ tastes and to translate them into marketing strategies (Otuedon, 2016).

Five are the entry modes for fashion companies to international markets:

- **Export:** involves the sale of products through intermediaries such as wholesaler.
- **Licensing:** indicates lending the name of the brand to others in exchange for a fee. It is a strategy popular among accessories in high-end and luxury sectors. Overdoing for its fast profit's performance would risk the dilution of the brand image.
- **Franchising:** offers the possibility to run stores with the brand name. It is often used to internationalize fast with a low investment. The stores are standardized, and not a lot of cultural understanding of the host country is needed.
- **Joint venture:** two or more retailers come together to create a new firm. It is a method useful in emerging countries in lieu of foreign direct investment. In these places a home-country partner is needed to operate.
- **Wholly owned subsidiaries or directly managed stores:** are the highest-resource commitment option when internationalizing. The company maintains full control over the brand image, and it is often chosen by high-end brands or the ones with the financial means to pursue a more costly strategy (Jin & Cedrola, 2016).

All companies need to do research before passing the border of their home-country, but in the case of SMEs they often choose the export as a mean to entering in new markets. SMEs suffer when the volume of exports increase because they lack the resources and managerial capabilities to carry out the strategies (Fuchs & Köstner, 2015; Terziovski, 2010 in Petrou et al., 2020). As Hitt et al. (2016) pointed out in their paper, the selection of the entry mode in a foreign country represents one of the most critical decisions for a multinational company. The company – in the case of this thesis the SME – needs to consider accurately the timing and speed of this entrance. The time refers to the time difference between the foundation and the international expansion, while the speed refers to the internationalization's pace (Hitt et al., 2016). For example, if the firm shares the same language as the foreign country, it will have a faster internationalization (Musteen et al., 2010 in Hitt et al., 2016). A study from Musso & Francioni (2014) on SMEs located in Marche – an Italian region – showed how most of the firms did not adopt a systematic approach to international marketing strategy. The results refer to 221 firms (excluding micro firms under 5 employees) and the 75,1% of them do not adopt a systematic approach to international marketing strategy, following instead a non-systematic behavior. The authors justify this attitude with the lack of resources and expertise of SMEs, supposing that «the propensity to adopt a systematic approach increase with the increasing of firm's size. Larger firms can more easily use internal or external resources and competencies to better manage their decision processes» (Musso & Francioni, 2014, 306). Moreover, according to their study, most SMEs

are passive when deciding to adopt an international strategy. Among them, the 63,8% did not adopt an active approach to entry mode decision processes, without doing systematic analysis before entering. Usually, the more the firms are experienced, the more they are likely to use an active approach. Only 27,6% carried out the selection of the foreign market and later the entry mode, while the most only follow an informal and flexible approach (Musso & Francioni, 2014). Bearing in mind these information, in the next paragraph hypotheses will be drawn and eventually tested in the last chapter.

## **Hypotheses**

The literature shows mixed results regarding the best approach between standardization and adaptation and, generally, a contingency approach seems to be the more shared choice (Fuchs & Köstner, 2015; Nasir & Altinbasak, 2009; Vrontis, 2003; Larsson & Jakobsson, 2019; Otuedon, 2016). It is for this reason that the choices made in formulating the hypothesis will be the result of the interpretation of the author of this thesis, after scrutinizing evaluating the results in the literature. Moreover, the subsequent empirical part covered in chapter three will be based on the literature review and on the theoretical framework.

The companies chosen to be interviewed are international companies from Italy that are considered small and medium companies according to the definition of EU that was mentioned in the literature review of this thesis, which considers SMEs companies with under 250 employees, 50 million turnover and maximum 43 million worth of balance sheet (Masroon & Asim, 2019). All the companies considered have an international approach and are in the fashion sector. The hypotheses were drawn based on the information gathered and are three in total.

The first hypothesis covers the link between the size of the company and the choice of standardizing or adapting to foreign markets. It was chosen because it has often emerged the link between the size of the company and the choice of internationalization (Zahoor, 2020; Masroon & Asim, 2019; Musso & Francioni, 2014). Thus, there was the desire to test this link and see how it held during the interview.

### *Hypothesis 1:*

*1.1: Companies, as they grow, progressively move towards an adaptation approach to international marketing.*

*1.2: Companies have the desire to implement their adaptation strategy in their future plans for the international strategy.*

The second hypothesis regards the planning that is behind an internationalization of SMEs. The literature suggested that small and medium companies do not put the same planning between an international expansion as larger companies. The literature suggests that they act as they grow, often without a previous planning (Fuchs, Köstner, 2015; Masroon & Asim, 2019).

*Hypothesis 2: Adaptation and standardization strategies are implemented without a previous planning by SMEs when foreign markets are considered.*

The third and final hypothesis regards the four marketing Ps. In the component of promotion, if the changing of the language is considered as an adaptation choice, it is quite easy and intuitive for the company to adapt. Other than language-change, the literature suggests that an adaptation approach sensible to the cultural aspect could be helpful to the company (Ghauri & Cateora, 2014 in Larsson & Jakobsson, 2019). However, building a uniform image with a standardized choice helps companies to build consistency across markets (Okazaki, 2006 in Nasir & Altinbasak, 2009) and to cater to clusters of consumers worldwide rather than to nationalities (Ko et al., 2007).

Regarding the place, this hypothesis considers the income of the population and the sheer number of proceedings behind the adaptation of the single point of distribution.

The price is subject to the customer's and country's economic situation, so it is supposed to be adapted as well. The elements considered in price have a great influence on the consumers – as it was mentioned before in the first paragraph of the second chapter – and accordingly price is expected to be adapted (Larsson & Jakobsson, 2019; Birnik & Browman, 2007 in Larsson & Jakobsson, 2019)

The product is influenced by the cultural component of the countries in which the company is expanded (Onkvisit & Shaw, 2004 in Jin & Cedrola (2016). However, it needs to be pointed out that customizing the product to each country constitutes an expensive activity for smaller companies and thus a standardized approach seems more suitable for the companies considered by this thesis in the empirical sector.

The subsequent hypotheses need to be read bearing in mind that companies, more often than not, choose a contingency approach that will result in a combination of standardization and adaptation. However, the following combination seemed the most likely to happen considering both the sample and the sector.

*Hypothesis 3:*

*3.1: For small and medium companies the component of promotion will be standardized (except for the change in language).*

*3.2: For small and medium companies the component of place will be adapted to the local context.*

*3.3: For small and medium companies the component of price will be adapted to the local context.*

*3.4 For small and medium companies the component of product will be standardized.*

These hypotheses will be eventually tested in the next chapter, where the empirical part will take place.



## THIRD CHAPTER

### **Methodology**

The third and final chapter of this thesis will consist in the empirical part where qualitative research will take action regarding Italian SMEs that work in the fashion sector. Qualitative research was chosen because it allows to conduct in depth studies of a wide array of topic, without sustaining the same constraints of other methods. Specifically, in the case of an economic study, the «unavailability of sufficient data series or lack of coverage of sufficient variables» could be detrimental for the study (Yin, 2015, 6).

In Italy the fashion sector is central arriving to be the second manufacturing sector after mechanics for «production volumes and export amounts» (Bandinelli et al., 2013, 2). Later in the thesis, the results will be analyzed, and the hypotheses, drawn from the literature review (Yin, 2015), will be tested.

*Research question: Standardization and adaptation, the behavior of the considered companies is in line with the behavior of the literature?*

The research question was formulated after the first analysis of the literature and the initial objective was to see whether the companies considered embody the same behavior as the literature suggests. Interviewing was chosen as a method and an inductive approach was selected to navigate the results of the interviews, giving that it permits the «development of categories, propositions, and eventually “meaning”, based on the actions in the field and not preconception» (Yin, 2015, 30).

The result was that companies rarely adapt only one strategy, but rather opt for a mix of the two, the contingency strategy. Moreover, the best fit among standardization and adaptation will change from company to company (Fuchs & Köstner, 2015; Nasir & Altinbasak, 2009; Otuedon, 2016).

Companies were contacted via email, or they received a first message on Instagram that was followed by an email with all the details regarding the interview. Initially, the companies contacted were all from Europe, but going further, responses from non-Italian companies were difficult to reach, consequently the cluster was reduced to only Italian enterprises, by which the response rate was higher. In the end, the interview gathered were two and an Italian sample of two international companies was reached.

### **Companies**

Following the lead of Yin (2015), essential ingredients for qualitative studies, that include interviews, are narrative information about one or more of the individuals who are part of the group. It is for this that a brief overlook of the companies is presented.

The first interview is with Niccolò Cipriani, founder and CEO of Rifò Lab, a company from Tuscany founded in 2017 by the same Niccolò in Prato, Tuscany. The name originated from the Tuscan dialect in which “rifò” means to re-do something and it is inspired by the ancient method of Tuscan artisans (Cenciaioli) of regenerating old garments to produce new yarn. The company was created with the sustainable premise to recycle old garments and offer a way to solve the waste created by the fashion industry. Sustainability is still at the core of their ethos today. They still produce in Prato in 30km, and they follow the Sustainable Development Goals of the United States (Rifò Lab official website, last accessed 31/01/2023).

The second interview is with Beatrice Corazza, the co-founder of Opera Campi, another company from Italy, founded in the same year as Rifò Lab by Alberto Ziveri, Beatrice Corazza and their team. The company was born after the interest in the study of hemp, a popular fiber in the Twenties which was later abandoned for the competition with petrol-based textiles and the association with cannabis and its consequent condemnation. The Italian hemp tradition inspired the founders who worked with the producers and conducted research in the sector until they created “La Canapa” their first textile, from which sprouted the company of today and their name. Their name is composed of two words: Opera, which in Italian means work of art but also a form of theater popular in Parma. Campi, on the other hand, refers to the earth and the campaigns, central in their research. Opera Campi produces in the Parma district made-to-order pieces and has only online operations, to cut their costs and to avoid unnecessary waste. The essential packaging and the absence of a warehouse back up the sustainability mind of the company and enable them to cut the costs of the final product as much as possible (Opera campi, official website, last accessed 31/01/2023).

### **Defining the questions**

The interviews consisted of six questions that were modulated from the literature review and the theoretical framework of the first and second chapters. In this paragraph the ratios behind every question will be explained.

The first question was: *Do you consider your company international? If yes, what are the advantages of being international?* To start the interviews was necessary to establish that the companies were international enterprises, thus fall under the categories necessary to be part of this thesis and, also, that the companies obtained advantages from being international.

The second question was: *Using the “marketing mix” framework, which is referred as the 4Ps framework and comprehends the components of product, price, placement, and promotion, which do you think is the more standardized in your company, which is the more localized?* The marketing mix framework of the 4 Ps was used for its «explanatory power and exhaustiveness» (Anderson & Taylor, 1995 in Lahtinen et al., 2020), as it was already mentioned in the first paragraph of the second chapter. To examine the companies in depth it was asked which of their components was the more standardized and the more adapted, to see if the results were in line with the predictions already stated in the hypotheses.

The third question was: *Why do you think these strategies were undertaken?* This was posed to see the motives behind their choices and if all the companies interviewed presented the same or differed regarding their reasons.

The fourth question was: *In an international market, do you consider that your company has taken the right steps by standardizing or adapting certain elements of the marketing mix? Or do you think that certain areas could be more standardized or more adapted?* This question was motivated with the fact that SMEs that operate in international markets are increasing (Nummela et al., 2006 in Musso & Francioni, 2014), representing the prevalence of firms’ categories in most countries (Musso & Francioni, 2014). For this reason, it was important to see their behavior and if it was in line with their aspirations. In fact, SMEs, differently from LSMs, are constrained by their size and, thus, need to adapt to their constraining attributes (Zahoor, 2020). The idea was to see whether these constraints were limiting the companies from reaching their ideal strategy of adaptation/standardization.

The fifth question was: *Do you think that adopting an international strategy has helped the success of your company?* It was asked to test if the international strategy had helped the success of the company or not, and to see if the companies confirmed the concepts of the literature. In the world of today, being a multinational enterprise is crucial for companies to develop to their full potential (Hitt et al., 2016).

The sixth question was: *Do you think that the future of your company will revolve more around standardization or adaptation? And in which sector?* This was linked to the fourth question in the sense that it was posed to also investigate the aspiration of the companies and to see whether they saw themselves oriented more towards adaptation or standardization in the future and in which category of the marketing strategy (product, price, placement, and promotion) they would see an eventual shift.

## **Results**

First, the results will be schematized and then discussed at length below.

<b>Question 1</b>	<i>Do you consider your company international? If yes, what are the advantages of being international?</i>
<b>Response [Interview 1]</b> The company is international. The main advantage is the differentiation of the risk.	<b>Response [Interview 2]</b> The company is international, they use their website to reach international clients.
<b>Question 2</b>	<i>Using the “marketing mix” framework, which is referred as the 4Ps framework and comprehends the components of product, price, placement, and promotion, which do you think is the more standardized in your company, which is the more localized?</i>
<b>Response [Interview 1]</b> Standardized: product and price. Adapted: point of sale and promotion.	<b>Response [Interview 2]</b> No strict standard.
<b>Question 3</b>	<i>Why do you think these strategies were undertaken?</i>
<b>Response [Interview 1]</b> The easiest thing to do, it came naturally.	<b>Response [Interview 2]</b> To offer something new to the public. Selling B2C to lower the price-point
<b>Question 4</b>	<i>In an international market, do you consider that your company has taken the right steps by standardizing or adapting certain elements of the marketing mix? Or do you think that certain areas could be more standardized or more adapted?</i>
<b>Response [Interview 1]</b> Yes, but product and price could be differentiated in the future as well.	<b>Response [Interview 2]</b> They are in the right direction, but still, they have to improve.
<b>Question 5</b>	<i>Do you think that adopting an international strategy has helped the success of your company?</i>
<b>Response [Interview 1]</b> Yes, most of all at the beginning, to compensate for crisis in the Italian market	<b>Response [Interview 2]</b> Yes, it helps to know the preferences, habits, and spending possibilities of different countries.
<b>Question 6</b>	<i>Do you think that the future of your company will revolve more around standardization or adaptation? And in which sector?</i>
<b>Response [Interview 1]</b>	<b>Response [Interview 2]</b>

Towards adaptation with the resource's increase.	Towards adaptation, letting the company to be transparent and known from many people.
--	---

The table helps to have a visual and fast understanding of the main points of the respondents; however, it is still necessary to analyze more in depth their opinions.

The first question was an icebreaker and was needed to confirm that the companies belonged under the category of international companies that was needed to be included in the empirical part of this thesis. Some Italian companies initially considered, were excluded because they lacked the prerequisite of being international. The second part of the first question was related to the advantages of the international strategy and the CEO of Rifò Lab [interview 1] confirmed that an international expansion would guarantee differentiation of risks, validating the literature mentioned in the first paragraph of the first chapter. The paper of Hitt et al. stated similar claims to the first respondent, affirming that «a portfolio investment in multiple host countries of varying economic cycles and market conditions can benefit firms with more stable earnings than maintaining a focus on domestic markets» (Hitt et al., 2016, 59). Beatrice [Interview 2] focused more on the larger audience of international operations, claiming that, thanks to their website, Opera Campi is able to reach customers from all over the world.

The second question uses the marketing mix framework to help give a more structured framework in which to insert the responses. Rifò lab [interview 1] answers that the standardized factors are product and price, while they adapt the point of sale and promotion. The second respondent highlights how they never followed strict standards. In fact, Opera Campi is a company that sprouted from the necessity to cover a “hole” in the market with an ancient fiber that they decided to sell with a B2C strategy. As of the time of this thesis, they still did not trace a structured strategy that follows the four Ps of marketing.

The third question was related to the second and was to dive deep into the answers to question two. Interview 1 resulted in an explanation in which the company decides to standardize the product and price as it is the “easiest thing to do”. The adaptation in the distribution is justified because every country has “different dynamics”, while the adaptation of promotion generates from the change in language from country to country and from also a change of contents. Interview 2 continued the line of the second question, thus not using the four Ps of marketing strategy in their answer. In fact, Opera Campi insisted that their strategy was undertaken to “let the public know something new” through their website that guarantees a “mid-price” to cut all the excess costs.

The fourth question showed how the CEO of Rifò lab thought that product and price could be differentiated for his company, focusing his attention on price. In fact, he highlighted how “in Italy

a jumper at 120 euros is considered expensive, while in the United States is not”, meaning that the price could be differentiated from country to country. The co-founder of Opera Campi [interview 2] has responded that their company has moved towards the right direction, not going into detail regarding the 4 Ps.

The fifth question asked whether the international strategy has helped the company, and both agreed that it was the case. In the interview 1 was repeated the same concept of the first answer, that international strategy helps to “compensate for the crisis of the Italian market”. In the interview 2 the response followed as well on the same line of the first question and addressed the fact that having an international strategy helps the company to “know the preference and habits of different countries and the various spending possibilities”.

To the last question, both companies answered that the future of their enterprise will revolve around adaptation. Rifò lab [interview 1] answered that the adaptation in the future will be sustained by a growth in revenues, confirming the theoretical framework. Adaptation, as a matter of fact, sees the increase in operating cost, while the standardization of the operation remains the cheapest option (Otuedon, 2016). The second respondent, on the other hand, focused more on the fact that for them adaptation is necessary because their product is unique and should be known by people in every aspect of it, being “described in an honest and transparent way”.

## **Hypotheses verification**

The answer gathered through the interviews will now be used to verify the hypotheses of the second chapter.

Hypothesis 1:

*1.1: Companies, as they grow, progressively move towards an adaptation approach to international marketing.*

*1.2: Companies have the desire to implement their adaptation strategy in their future plans for the international strategy.*

The hypotheses 1.1 and 1.2 are verified by the response to the sixth question. The first interview states “[The future of our company will move towards] adaptation, in the sense that is difficult, especially if you sell in certain markets, to standardize” explaining quite clearly how their company has the desire to move towards this strategy. The second company as well agrees with the first and confirms hypotheses 1.1 and 1.2 stating that “[we will move] surely towards adaptation, we have a product for which the standard is not applicable, but every aspect, from product to promotion should be interpreted and described in an honest and transparent way, to let people be curious about trying it and trust our real sustainability”.

*Hypothesis 2: Adaptation and standardization strategies are implemented without a previous planning by SMEs when foreign markets are considered.*

The second hypothesis is partially confirmed, even if companies did not address this issue specifically enough to confirm the hypothesis with certainty. The reason lies mainly in the response to the third question for both companies. The first company states that they have chosen to standardize and adapt certain categories “because standardizing the product and price was the easiest thing to do, but now we will try to gradually differentiate it from country to country”. The answer shows how the company proceeds in a gradual way as challenges present themselves, but it cannot be said with certainty that the strategies are not implemented without a previous planning. The same could be said for the second company interviewed that stated: “our strategy is based on the necessity to allow the public to know something new, something that they never wore and tried before”. Also, Opera Campi [interview 2] covers a partial verification of hypothesis 2 in the second question, when Beatrice says: “we never followed strict standards because our product was born to cover a hole in the market that is still open: premium hemp clothing”. These two answers serve to confirm hypothesis 2 but only partially. In fact, the second company states that they did not implement a strict standard, but it cannot be said that they entirely did not plan their strategies.

*Hypothesis 3:*

*3.1: For small and medium companies the component of promotion will be standardized (except for the change in language).*

*3.2: For small and medium companies the component of place will be adapted to the local context.*

*3.3: For small and medium companies the component of price will be adapted to the local context.*

*3.4 For small and medium companies the component of product will be standardized.*

The final hypotheses should be analyzed singularly to better understand if they were confirmed or not. First of all, the interview 2 was not useful in confirming these hypotheses because Opera Campi stated in the second response that they “never followed strict standards” and that they have “only a B2C strategy, to avoid the price increases of the retail”. Rifò lab [interview 1], on the other hand, gave an exhaustive response to answer these hypotheses.

H 3.1 is refused because promotion is adapted.

H 3.2 is confirmed because the component of place is adapted.

H 3.3 is refused because the component of price is standardized.

H 3.4 is confirmed because the component of product is standardized.

## **Discussion of the results**

The responses of the companies confirm, for the most part, the hypotheses that were formulated based on the literature analyzed. Companies have the desire to be international and the more they grow, the more they adapt to the foreign context in which their operations take place. Moreover, SMEs are less likely to plan their internationalization and more to proceed gradually as they grow.

However, even if the results seem to be confirmed by the two interviews, the sample is too little to make radical statements. In fact, the only companies that the interviewer was able to gain the response from are two Italian enterprises from two different regions that, while both operating in the sustainable fashion sector, offer different products and are not comparable on all levels.

It needs also to be added to the contextualization that in the second interview the 4Ps of marketing were not addressed in the way that it was necessary to deduce something relevant for this research.

In the end, the interview helped to enlarge the discourse and to give an empirical view to the literature discussed in the first chapter, but it is still necessary to do future research (Yin, 2015). This thesis could be a starting point and could pose some blocks to build a higher structure in the future.



## CONCLUSION

The thesis offered an analysis of the standardization and adaptation processes for small and medium companies in Europe. It started with a literature review in which the international strategy and corporate social responsibility were contextualized for SMEs from Europe. At the same time, standardization and adaptation strategies were explained, along with the debate that still lingers among scholars regarding which is the best fit for companies. The contingency strategy was explained as well, which is often the one that companies chose when deciding which strategy to adopt.

In the second chapter the theoretical framework was traced, and the 4 Ps of marketing strategy were introduced as a way to schematize the four sectors in which companies make strategic choices regarding their international marketing strategy. The pros and cons of standardization and adaptation were also highlighted just before understanding the very context of the international marketing strategy for the fashion sector.

The third and last chapter was the empirical verification of the theory used in the first two chapters. Two interviews were conducted, composed of six open questions, to two Italian fashion companies that work in the sustainable sector and have an international strategy. The results were in line with the theory and the hypotheses formulated at the start of the chapter were confirmed for the most part, with some exceptions. The first hypothesis was confirmed, the second confirmed but only partially and only the half of the third hypothesis was confirmed. H 3.1, and H 3.3 were indeed refused because, according to the interviews, promotion is adapted, and price is standardized. The latter partial confirmation could be explained by the heterogeneous literature on the matter. Hence, the formulation of the hypotheses is an elaboration of the author of this thesis and the results were interpreted accordingly.

In the end, this conclusion wants to call for deepening in the results that were reached in this thesis, following the option of Yin in the conclusions that calls for new research (Yin, 2015). The empirical results were a compelling field for the literature to be tested, but there is still the need for future research in this field and this study is just a starting point from which the research could take off.

## APPENDIX

### Original interview in Italian [Interview 1]

- *Lei considera la sua azienda internazionale? Se sì, quali ritiene siano i vantaggi di essere internazionale?*

Siamo un'azienda internazionale perché esportiamo più del 30% del fatturato. Il vantaggio di essere un'azienda internazionale è che se ad esempio il mercato locale ha una crisi o dei fattori che lo rendono più difficile rispetto a un altro mercato estero, una realtà internazionale differenzia il rischio.

- *Usando il "marketing mix" framework, che è anche chiamato il framework delle 4 P e comprende prodotto, prezzo, punto vendita (distribuzione) e promozione, quali ritiene siano i più standardizzati nella vostra azienda e quali i più localizzati?*

Standardizzati sicuramente il prezzo e il prodotto. Più differenziati il punto vendita e la promozione.

- *Perché ritiene che siano state intraprese queste strategie riguardo alla standardizzazione o localizzazione?*

Perché standardizzare il prodotto era la cosa più facile da fare e anche il prezzo, ora piano piano cercheremo di renderlo più differente a seconda del paese. La localizzazione è normale che sia sulla distribuzione perché ogni paese ha delle dinamiche diverse e sulla promozione perché ad esempio vendo in Germania non posso comunicare in italiano. Intendo quindi sia un cambio di lingua ma che di contenuti.

- *In un mercato internazionale, lei considera che la sua azienda abbia intrapreso i giusti passi per standardizzare o adattare certi elementi del marketing mix? Oppure ritiene che certe parti possano essere più standardizzate o più adattate?*

Sì, prodotto e il prezzo si possono differenziare perché magari in Italia un maglione a 120 euro è considerato abbastanza caro, mentre in America no; quindi, va un po' rivisto il listino a seconda del paese.

- *Lei ritiene che adottare una strategia internazionale abbia aiutato il successo della sua azienda?*

Sicuramente sì, soprattutto all'inizio e anche adesso ci aiuta un po' a compensare la crisi del mercato italiano.

- *Crede che il futuro della sua azienda sarà più rivolto alla standardizzazione o all'adattamento? In quale settore?*

L'adattamento, nel senso che è difficile soprattutto se vendi in determinati mercati, standardizzare. L'idea è sempre quella di adattarsi non solo al mercato italiano, ma anche alla gente tedesca come se fosse tedesco. Con l'aumentare delle risorse penso sia consigliabile. Oltretutto implica un costo di gestione maggiore, infatti, si fa quando si fa più fatturato, quando l'azienda cresce.

### **Interview translation [Interview 1]**

- *Do you consider your company international? If yes, what are the advantages of being international?*

We are an international company because we export more than 30% of the revenues. The advantage of being an international company is that if the local market has a crisis or more challenges than a foreign market, the international reality differentiates the risk.

- *Using the "marketing mix" framework, which is referred to as the 4Ps framework and comprehends the components of product, price, placement, and promotion, which do you think is the more standardized in your company, which is the more localized?*

We have a standardized product and price, while an adapted point of sale and promotion.

- *Why do you think these strategies were undertaken?*

Because standardizing the product and price was the easiest thing to do, but now we will try to gradually differentiate it from country to country. The adaptation is obviously on the distribution because every country has different dynamics and the adaptation on promotion is because if I sell to Germany I cannot communicate in Italian. I mean a change of language but also a change of contents.

- *In an international market, do you consider that your company has taken the right steps by standardizing or adapting certain elements of the marketing mix? Or do you think that certain areas could be more standardized or more adapted?*

Yes, product and price could be differentiated because in Italy a jumper at 120 euros is considered expensive, while in the United States it is not; thus, the price catalog should be revisited according to the country.

- *Do you think that adopting an international strategy has helped the success of your company?*

Surely, most of all at the beginning and also now it is helping to compensate for the crisis of the Italian market.

- *Do you think that the future of your company will revolve more around standardization or adaptation? And in which sector?*

Adaptation, in the sense that is difficult, especially if you sell in certain markets, to standardize. The idea is always to adapt not only to the Italian market, but also to German people like a German. I think it is advisable with the resource's increase. Moreover, it implies a higher management cost and it is done when the revenues grow, when the company grows.

### **Original interview in Italian [Interview 2]**

- *Lei considera la sua azienda internazionale? Se sì, quali ritiene siano i vantaggi di essere internazionale?*

Considero la nostra azienda internazionale in quanto grazie al sito web, costantemente aggiornato in lingua inglese, ci rivolgiamo ad un pubblico globale, raggiungendo così clienti da tutto il mondo.

- *Usando il "marketing mix" framework, che è anche chiamato il framework delle 4 P e comprende prodotto, prezzo, punto vendita (distribuzione) e promozione, quali ritiene siano i più standardizzati nella vostra azienda e quali i più localizzati?*

Non abbiamo mai seguito degli standard precisi, anche perché il nostro prodotto è nato per coprire un buco di mercato che attualmente esiste ancora: abbigliamento premium di canapa. Per questo abbiamo dovuto ricreare noi la filiera di fornitori disposti a lavorare la canapa, un filato che da troppo tempo le macchine non erano abituate a trattare, e di conseguenza studiare e creare i nostri tessuti. Il risultato è che il nostro prodotto ha un costo di produzione molto alto, che ci obbliga per non venderlo ad un prezzo definibile "lusso", ad avere solo una proposta B2C, evitando così i rincari delle dinamiche retail

- *Perché ritiene che siano state intraprese queste strategie riguardo alla standardizzazione o localizzazione?*

La nostra strategia si è stata basata sulla necessità di far conoscere al pubblico qualcosa di

nuovo, qualcosa mai indossato e provato prima. Per poter permettere alla maggior parte delle persone di poterselo permettere abbiamo scelto di mantenere un prezzo medio. Questo prezzo è possibile grazie alla scelta di vendere solo direttamente, altrimenti non sarebbe possibile mantenerlo così basso.

- *In un mercato internazionale, lei considera che la sua azienda abbia intrapreso i giusti passi per standardizzare o adattare certi elementi del marketing mix? Oppure ritiene che certe parti possano essere più standardizzate o più adattate?*

Considerando la nostra crescita costante e il tasso di retention rate del 50%, abbiamo sicuramente fatto dei passi verso la giusta direzione. Ovviamente c'è sempre da migliorare e si continuerà a sbagliare per poi imparare.

- *Lei ritiene che adottare una strategia internazionale abbia aiutato il successo della sua azienda?*

Sicuramente poterci rivolgere a clienti internazionali ci dà la possibilità di conoscere le preferenze e le abitudini di diversi paesi, oltre che le diverse possibilità di spesa.

- *Crede che il futuro della sua azienda sarà più rivolto alla standardizzazione o all'adattamento? In quale settore?*

Sicuramente all'adattamento, abbiamo un prodotto per cui lo standard non vale, ma ogni aspetto, dal prodotto alla promozione deve essere interpretato e raccontato in modo onesto e trasparente, così che le persone diventino curiose nel provarlo e si fidino della nostra reale sostenibilità.

## **Interview translation [Interview 2]**

- *Do you consider your company international? If yes, what are the advantages of being international?*

I consider our company international because thanks to the website, constantly adjourned in English, we address a global audience, reaching clients from all over the world.

- *Using the “marketing mix” framework, which is referred as the 4Ps framework and comprehends the components of product, price, placement, and promotion, which do you think is the more standardized in your company, which is the more localized?*

We never followed strict standards because our product was born to cover a hole in the market that is still open: premium hemp clothing. It is for this that we had to recreate the supply chain willing to work with hemp, a yarn for which the machines were not ready and for which we had to study and create our fabrics. The result is a product with a high production cost that constrains the company, with the intent to not sell the product at a “luxury price point”, to have only a B2C business strategy, to avoid the price increases of the retail.

- *Why do you think these strategies were undertaken?*

Our strategy is based on the necessity to allow the public to know something new, something that they never wore and tried before. To allow most people to afford our products we have decided to maintain a mid-price. This result is only possible thanks to the choice to sell B2C, otherwise it would not be possible to sell at this low price point.

- *In an international market, do you consider that your company has taken the right steps by standardizing or adapting certain elements of the marketing mix? Or do you think that certain areas could be more standardized or more adapted?*

Considering our constant growth and our retention rate of 50%, we have surely moved towards the right direction. Obviously, we still have to improve and we will continue to make mistakes and learn from them.

- *Do you think that adopting an international strategy has helped the success of your company?*

Surely being able to address international clients gives us the possibility to know the preferences and habits of different countries and the various spending possibilities.

- *Do you think that the future of your company will revolve more around standardization or adaptation? And in which sector?*

Surely towards adaptation, we have a product for which the standard is not applicable, but every aspect, from product to promotion, should be interpreted and described in an honest and transparent way, to let people be curious about trying it and trust our real sustainability.

## **Consensus to the interviews**

## [Interview 1]

Partecipante:

1. Io acconsento all'uso delle informazioni ottenute in questa intervista nell'elaborato finale.
2. Io permetto alla ricercatrice di registrare l'audio dell'intervista o di pubblicare le risposte fornite via mail.
3. Io permetto alla ricercatrice di includere nome, ruolo e nome dell'azienda nella ricerca.

Ricercatore:

1. Io manderò le informazioni ottenute dall'intervista, senza modifiche, al partecipante prima di pubblicarle nella tesi.
2. Io seguirò l'eventuale richiesta di riservatezza da parte dell'azienda.

Firma del partecipante:

\_\_\_\_\_

  
**Rifo S.R.L.**  
Via Filicaja 26/C - 59100 Prato (PO)  
P.I. 02426250979  
Sdt. W7YVJK9  
www.rifo-lab.com

Firma del ricercatore:

Isabella Ronchi

## [Interview 2]

Partecipante:

1. Io acconsento all'uso delle informazioni ottenute in questa intervista nell'elaborato finale.
2. Io permetto alla ricercatrice di registrare l'audio dell'intervista o di pubblicare le risposte fornite via mail.
3. Io permetto alla ricercatrice di includere nome, ruolo e nome dell'azienda nella ricerca.


Ricercatore:

1. Io manderò le informazioni ottenute dall'intervista, senza modifiche, al partecipante prima di pubblicarle nella tesi.
2. Io seguirò l'eventuale richiesta di riservatezza da parte dell'azienda.

Firma del partecipante:



Firma del ricercatore:





# SUMMARY

## First chapter

The first chapter consists of the literature review of this thesis. First, there was an analysis of the international business (IB) as a «Business that crosses national borders, that is, it includes the comparative study of business as an organizational form in different countries, cross-border activities of businesses, and interactions of business with the international environment» (Eden et al., 2010, 58). The company thus needs to integrate the economies that are involved in the process at the same time being aware of the higher level of competition that unfolds in this context (Hitt et al., 2016; Subedi, 2022, Zahoor et al., 2020).

And lastly, the company also has the necessity to manage the entry strategy in the new market to accurately interpret the exigence and needs of the consumers in that place (Otuedon, 2016). As a matter of fact, the global world in which we live in today requires companies to diffuse in every part of it, more than ever before. In this context the attitude of MNC has moved towards embracing the internationalization and the global economy (Hitt et al., 2016).

In the literature, international expansion takes several forms, but a famous and common method used to explain the internationalization of firms is the Uppsala model. The model was named after a group of scholars at the University of Uppsala, and it presumes that firms gradually internationalize as they grow. They start slowly from a low resource commitment model and then increase their effort arriving at owning subsidiaries and committing resources to their maximum capacity in the international market (Jin & Cedrola, 2016). However, the limits of the Uppsala model show when considering firms that internationalize rapidly, the so-called born global firms (Jin & Cedrola, 2016). The term refers to «entrepreneurial start-ups that, from or near their founding, seek to derive a substantial portion of their revenue from the sale of products in international markets» (Cavusgil & Knight, 2015, 4). Then, the main orientation of born global firms is international and the Uppsala model is not able to explain the existence of these firms.

In a context of international operation and advancements of information technology, which bring multinational companies to constantly interact with different cultures and foreign institutions, high institutional distance could derive. The institutional distance could generate two main types of costs. The first is «unfamiliarity hazard» that refers to the lack of information and knowledge about the host country, the second is the «relational hazards» that arises from the lack of trust in the foreign partners (Hitt et al., 2016). An effective knowledge transfer, in which the information is shared within the company and the benefits are diffused, could help to mitigate both costs. In the knowledge transfer,

culture plays a pivotal role, and it is often the main reason why the transfer happens successfully or not. «MNCs are seen as networks of resources that operate in culturally and geographically diverse regions» (Lucas, 2006, 261). To do so, Lucas (2006) uses the original four dimensions of Hofstede's research and offers interesting insights into knowledge transfer. Hofstede's dimensions represent a valid starting point to understand the international context in which multinational companies constantly move. In any case, an effective knowledge transfer that enhances the MNE's competitive advantage is a transfer in which the process is not a one-way route, but in which the subsidiaries contribute as well with their strategic resources regarding knowledge. The possession of these assets heightens the subsidiary's influence towards the headquarters, producing a two-way dialogue that benefits both the home and the host country (Hitt et al., 2016).

Having understood the knowledge transfer process, the thesis focused more on the main topic of the research that are the SMEs and a paragraph in chapter one helped to gather information in the international strategy of small and medium companies. While SMEs that operate in international markets are increasing (Nummela et al., 2006 in Musso & Francioni, 2014) the international strategy for small and medium enterprise (SME) is a lesser discussed topic in the literature. Currently SMEs represent the prevalence of firms' categories in most countries (Musso & Francioni, 2014), consequently is important to address, in this thesis, the way in which the process of internationalization impacts them. Most of all because they are «subject to common constraining attributes, such as limited human, financial, and informational resources» (Zahoor, 2020, 427). Thus, their strategies differ from the ones of LSM. The literature analyzed has shown how SMEs usually do not have the capacity to adapt international strategies with the rationality and the possibility of planification of LSM but rather thanks to “non-rational” reasons. The international strategy for SMEs is limited by their circumstances and their reduced economic capacity compared to larger companies (Hitt et al., 2016; Musso & Francioni, 2014).

Multinational companies in an international context have the necessity to increasingly adopt measures of Corporate social responsibility to address issues of «their social, environmental and human rights externalities» (Levis, 2006, 50). «Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing “more” into human capital, the environment, and the relations with stakeholders». (Commission of the European Communities 2001, 6). Companies that do not comply with these measures appear to their stakeholder less committed to their values and, consequently, they weaken their image and the company's (Levis, 2006). Reputation is one of the main assets of companies and the possible damage to it is a real risk for them. Eventually, a companies' reputation will influence the other's as well, thanks to a so-called isomorphism phenomenon in which the CSR adoption provides a signal for the others that, pressured by

stakeholders and their peers, will tend to do the same (Levis, 2006). «Hence there seem to be two conflicting pressures on CSR management of companies. The pressure for localization due to different societal concerns, values, and norms on the one hand and the pressure for standardization and coordination of decision making due to interrelated business activities, external effects and global “tastes” or values». (Bustamante and Silke 2011, 6).

A standardized approach to the export marketing strategy is one in which the «consumer tastes and cultures are homogenized and satisfied through the provision of standardized global products created by global corporations». (Vrontis et al., 2009, 480). On the other hand, an adaptation approach is one that tailors the marketing mix elements to meet the «needs and wants» (Vrontis et al., 2009) of the target markets as these markets are distinct from one another and it is impossible to tailor a unified strategy for them (Vrontis et al., 2009; Fuchs and Köstner, 2015; Kashani 1989 in Larsson & Jakobsson, 2019).

However, the literature shows how in reality companies hardly decide to adopt solely one strategy, while they more often apply a mix of the two, the so-called contingency strategy. The latter is a fit between the two extremes of a spectrum that are adaptation and standardization (Fuchs & Köstner, 2015, 309).

The framework that was used in the thesis to help categorize factors influencing the company’s decision is the one proposed by Nasir & Altinbasak (2009). They mention the importance of environmental factors regarding the company and customers, also distinguishing between external and internal drivers. The main difference between the two is that the external factors, unlike the internal, are not controllable by the company.

## **Second chapter**

The second chapter is the theoretical framework and starts with the definition of the 4Ps of marketing mix that was used in the interviews in the third chapter. Historically, the schema of the 4 Ps was first proposed by McCarthy in 1960, who defined the marketing mix as «the choice of the tools which the company intends to combine in order to satisfy [a] target group» (McCarthy, 1960 in Lahtinen et al., 2020). The classification comprehends four categories: Product, Price, Place and Promotion and was widely used in the literature, becoming the most used categorization of marketing mix, so much as to be called the “traditional classification” (van Waterschoot & van den Bulte, 1992; Išoraitė, 2016). This classification was used in the thesis for its «explanatory power and exhaustiveness» (Anderson & Taylor, 1995 in Lahtinen et al., 2020), considering also that the interviews in the empirical part necessitated a simplified schema to be based upon.

Later on, the marketing mix components are analyzed in their peculiarities and their connections to

standardization and adaptation. Culture surely plays a role in influencing the international marketing mix, but Larsson & Jakobsson mention in their thesis the work of Doole & Lowe (2001) in which they point out how more specific characteristics that influence marketing are: «language, religion, values and attitudes, education, aesthetics, law and politics, technology, and material culture, and social organization». However, the components are not all affected by the same elements.

The product component still needs to satisfy customer's needs in the countries in which the company is expanded; thus, the cultural component is strong in assessing the product customization. «The product needs to be compatible with the national culture of the target market (Onkvisit & Shaw, 2004 in Jin & Cedrola, 2016). In their paper Jin & Cedrola call attention to the crucial necessity for products to be customized at a local need, leaning more towards adaptation than standardization. To this discussion, Leonidou et al. (2002) added their “meta-analysis” which found that target-market-induced adaptation is positively related to export success (Leonidou et al., 2002 in Fuchs & Köstner, 2015). In their study on Austrian firms Fuchs & Köstner (2015) demonstrated also how for European countries product adaptation was positively related to profitability.

The price component is influenced by other factors, more tending towards the customer's financial situation and the economies of the countries considered. Larsson & Jakobsson (2019) reference in their study the work of Birnik & Browman (2007) in declaring that price should be the least standardized of all the four McCarthy's components. This is due to local conditions changing from country to country as in all the other 4Ps, but the elements considered in prices have a more thorough influence on the consumers, because they interfere with their purchasing power and the flourishing of their country (Larsson & Jakobsson, 2019). The component of place relies on the «disposable income and purchasing habits of customers». This factor presents complexity in the standardization process when the two countries differ in availability of venues from one another (Larsson & Jakobsson, 2019, 20).

The component of promotion is perhaps the most discussed in the literature when referring to the choice of standardization or adaptation of the marketing mix. The promotion component takes into account factors linked to language and general differences in the media awareness and availability in the counties. Adaptation is highly needed when the markets require a translation of the promotion in the local language. Standardization, however, still could be the choice when deciding an advertising campaign low on the cost-aspect. Also, having a standardized promotion component helps companies to «build a consistent image across markets, especially when there is intense competition» (Okazaki, 2006 in Nasir & Altinbasak, 2009; Ko et al., 2007). Culture also plays a role and countries similar to the home country could standardize more their promotion strategy. In the end, however, when marketing mix strategy is considered on an international level, the higher success

is reached when clusters of consumers are identified across countries (Nasir & Altinbasak, 2009). The paper of Ko et al. (2007) investigated this consideration, evaluating whether market segments could be drawn cutting national boundaries regarding the fashion sector. Considering that apparel is the most popular item purchased by global consumers online (Jin & Cedrola, 2016) clusters could help to move easily through one country to the other and apply a marketing mix selection with an international breadth. To do so, in the subsequent paragraph the pros and cons of standardization and adaptation are analyzed. The pros and cons are to be considered still under the umbrella of SMEs and refer to the paper of Otuedon (2016).

The advantages mentioned for standardization are economies of scale, transfer of expertise and know-how, reduction of costs and prices, uniform image, enhanced customer preference, high quality, easier control, and coordination.

The disadvantages mentioned are government and trade restrictions, difference in customer interests and response patterns, the nature of the competitive structure, market characteristics.

Regarding adaptation, the advantages mentioned are easy acceptability, responsiveness to local needs and market, expedites local business development, strengthens local content. The disadvantages are increased operating costs, limited control and coordination, lack of uniform image, lack of transfer of experience and know-how.

Otuedon concludes his analysis emphasizing the importance to adopt a contingency approach. As it was mentioned in the literature review of this thesis, a contingency approach merges some elements of standardization and adaptation, and it is often chosen by companies (Otuedon, 2016).

The fashion sector is highly internationalized, with a significant part of the revenue generated outside the home-country of the companies. (Jin & Cedrola, 2016). Saviolo & Testa (2005) offered a compelling classification in their study, bearing in mind the price and competitive strategy used by fashion companies. They also considered the element of CSFs, which stands for Critical Success Factors and means «product innovation, quality, and brand image». The result divides the market into five segments: couture, prêt-à-porter, diffusion, bridge, mass.

Features that distinguish fashion sector from the others is the unpredictability of its market and the symbolic meaning bestowed to fashion products. Brand names are relevant for fashion's consumers, and it is the brand's name that often drives the evaluation of these products (Jin & Cedrola, 2016). Kumar & Steenkamp (2013) have proposed a spectrum of product categories in which clothes' quality is the second hardest to judge, right after make-up. In these two sectors the quality becomes secondary to the consumer's perception, which is, in turn, influenced by the brand's image (Kumar & Steenkamp, 2013 in Jin & Cedrola, 2016).

This thesis inserts itself in this wide context and the choice of focusing the third and empirical chapter on Italian SMEs is due to the prevalence of SMEs in Europe and the fact that Italy is a leader in the internationalization of global fashion brands through small and medium enterprises. As of the data used by Jin & Cedrola (2016), only the 0,12% of clothing firms employed more than 250 people. Moreover, this study has the intention to analyze the SMEs approach to internationalization through their marketing strategy.

When internationalizing, market research is a key prerequisite to enter new markets, both domestic and foreign. It serves to interpret the consumers' tastes and to translate them into marketing strategies (Otuedon, 2016). Five are the entry modes for fashion companies to international markets: export, licensing, franchising, joint venture, wholly owned subsidiaries or directly managed stores.

All companies need to do research before passing the border of their home-country, but in the case of SMEs they often choose the export as a mean to entering in new markets. SMEs suffer when the volume of exports increase because they lack the resources and managerial capabilities to carry out the strategies (Fuchs & Köstner, 2015; Terziovski, 2010 in Petrou et al., 2020). As Hitt et al. (2016) pointed out in their paper, the selection of the entry mode in a foreign country represents one of the most critical decisions for a multinational company. A study from Musso & Francioni (2014) on SMEs located in Marche – an Italian region – showed how most of the firms did not adopt a systematic approach to international marketing strategy. Moreover, according to their study, most SMEs are passive when deciding to adopt an international strategy (Musso & Francioni, 2014).

The literature shows mixed results regarding the best approach between standardization and adaptation and, generally, a contingency approach seems to be the more shared choice (Fuchs & Köstner, 2015; Nasir & Altinbasak, 2009; Vrontis 2003; Larsson & Jakobsson, 2019; Otuedon, 2016). It is for this reason that the choices made in formulating the hypothesis are the result of the interpretation of the author of this thesis, after scrutinizing evaluating the results in the literature.

The first hypothesis covers the link between the size of the company and the choice of standardizing or adapting to foreign markets. It was chosen because it has often emerged the link between the size of the company and the choice of internationalization (Zahoor, 2020; Masroon & Asim, 2019; Musso & Francioni, 2014).

The second hypothesis regards the planning that is behind an internationalization of SMEs. The literature suggested that small and medium companies do not put the same planning between an international expansion as larger companies. The literature suggests that they act as they grow, often without a previous planning (Fuchs, Köstner, 2015; Masroon & Asim, 2019).

The third and final hypothesis regards the four marketing Ps and associates each component to standardization or adaptation. The combination of the Ps to standardization or adaptation in the

hypothesis was made thanks to the literature considered and choices were made in one sense or the other interpreting the literature were there seemed to be conflicting solution for every component of the marketing mix. In general, the hypotheses need to be read bearing in mind that companies, more often than not, choose a contingency approach that will result in a combination of standardization and adaptation. The hypotheses were tested in the third chapter, where the empirical part took place.

### Third chapter

The third and final chapter of this thesis consisted in the empirical part, where a qualitative study (Yin, 2015) took place, where questions were asked to Italian SMEs that work in the fashion sector. In Italy the fashion sector is the second manufacturing sector after mechanics for «production volumes and export amounts» (Bandinelli et al., 2013, 2).

The research question (RQ) that was investigated in the interview was: Standardization and adaptation, the behavior of the considered companies is in line with the behavior of the literature?

The RQ was formulated after the first analysis of the literature and the initial objective was to see whether the companies considered embodied the same behavior as the literature suggested. The result was that companies rarely adapt only one strategy, but rather opt for a mix of the two, the contingency strategy, and the best fit differs from one company to the other (Fuchs & Köstner, 2015; Nasir & Altinbasak, 2009; Otuedon, 2016).

The first interview is with Niccolò Cipriani, founder and CEO of Rifò Lab, a company from Tuscany founded in 2017. The second interview is with Beatrice Corazza, the co-founder of Opera Campi, another company from Italy founded in 2017 by Alberto Ziveri, Beatrice Corazza and their team. The interviews consisted of six questions that were modulated from the literature review and the theoretical framework of the first and second chapters. The results were schematized in this table that explains the answers in a concise way and then the discourse on the responses was enlarged later to give an explanation and a contest to the answers.

<b>Question 1</b>	<i>Do you consider your company international? If yes, what are the advantages of being international?</i>
<b>Response [Interview 1]</b> The company is international. The main advantage is the differentiation of the risk.	<b>Response [Interview 2]</b> The company is international, they use their website to reach international clients.
<b>Question 2</b>	<i>Using the “marketing mix” framework, which is referred as the 4Ps framework and comprehends the components of product, price, placement, and promotion, which do you think is the more</i>

	<i>standardized in your company, which is the more localized?</i>
<b>Response [Interview 1]</b> Standardized: product and price. Adapted: point of sale and promotion.	<b>Response [Interview 2]</b> No strict standard.
<b>Question 3</b>	<i>Why do you think these strategies were undertaken?</i>
<b>Response [Interview 1]</b> The easiest thing to do, it came naturally.	<b>Response [Interview 2]</b> To offer something new to the public. Selling B2C to lower the price-point
<b>Question 4</b>	<i>In an international market, do you consider that your company has taken the right steps by standardizing or adapting certain elements of the marketing mix? Or do you think that certain areas could be more standardized or more adapted?</i>
<b>Response [Interview 1]</b> Yes, but product and price could be differentiated in the future as well.	<b>Response [Interview 2]</b> They are in the right direction, but still, they have to improve.
<b>Question 5</b>	<i>Do you think that adopting an international strategy has helped the success of your company?</i>
<b>Response [Interview 1]</b> Yes, most of all at the beginning, to compensate for crisis in the Italian market	<b>Response [Interview 2]</b> Yes, it helps to know the preferences, habits, and spending possibilities of different countries.
<b>Question 6</b>	<i>Do you think that the future of your company will revolve more around standardization or adaptation? And in which sector?</i>
<b>Response [Interview 1]</b> Towards adaptation with the resource's increase.	<b>Response [Interview 2]</b> Towards adaptation, letting the company to be transparent and known from many people.

After the analysis of the results, there was the verification of the hypotheses formulated in the chapter before.

*1.1: Companies, as they grow, progressively move towards an adaptation approach to international marketing.*

*1.2: Companies have the desire to implement their adaptation strategy in their future plans for the international strategy.*

The hypotheses 1.1 and 1.2 are verified by the response to the sixth question for both companies.



*Hypothesis 2: Adaptation and standardization strategies are implemented without a previous planning by SMEs when foreign markets are considered.*

The second hypothesis is partially confirmed, even if companies did not address this issue specifically, not enough to confirm the hypothesis with certainty. The reason behind the confirmation lies mainly in the response to the third question for both companies, but only partially.

*3.1: For small and medium companies the component of promotion will be standardized (except for the change in language).*

*3.2: For small and medium companies the component of place will be adapted to the local context.*

*3.3: For small and medium companies the component of price will be adapted to the local context.*

*3.4 For small and medium companies the component of product will be standardized.*

The interview 2 was not useful in confirming the hypothesis 3 because Opera Campi stated in the second response that they “never followed strict standards” and that they have “only a B2C strategy, to avoid the price increases of the retail”. Rifò lab [interview 1], on the other hand, gave an exhaustive response to answer these hypotheses.

H 3.1 is refused because promotion is adapted.

H 3.2 is confirmed because the component of place is adapted.

H 3.3 is refused because the component of price is standardized.

H 3.4 is confirmed because the component of product is standardized.

The responses of the companies confirm, for the most part, the hypotheses that were formulated. However, the sample is too little to make radical statements. In fact, the only companies that the interviewer was able to gain the response from are two Italian enterprises from two different regions that, while both operating in the sustainable fashion sector, offer different products and are not comparable on all levels.

It needs also to be added to the contextualization that in the second interview the 4Ps of marketing were not addressed in the way that it was necessary to deduce something relevant for this research.

In the end, the interview helped to enlarge the discourse and to give an empirical view to the literature discussed in the first chapter, but it is still necessary to do future research. This thesis could be a starting point and could pose some blocks to build a higher structure in the future.

## LITERATURE

Aggarwal, Berrill, Hutson, Kearney. 2010. "What is a multinational corporation? Classifying the degree of firm-level multinationality." *International Business Review*.

Bandinelli, Rinaldi, Rossi, Terzi. 2013. "New Product Development in the Fashion Industry: An Empirical Investigation of Italian Firms." *International Journal of Engineering Business Management: Special Issue on Innovations in Fashion Industry*.

Bocconcelli, Cioppi, Fortezza, Francioni, Pagano, Savelli, Splendiani. 2016. "SMEs and Marketing: A Systematic Literature Review." *International Journal of Management Reviews*. Vol. 20 pp. 227-254.

Bustamante, Silke. 2011. "Localization vs. standardization: Global approaches to CSR management in multinational companies." *Working Paper*, No. 60

Cavusgil, Knight. 2015. "The born global firm. An entrepreneurial and capabilities perspective on early and rapid internationalization." *Journal of International Business Studies*. Vol. 46 pp. 3-16.

Commission of the European Communities. 2001. *GREEN PAPER promoting a European framework for Corporate Social Responsibility*.  
[https://ec.europa.eu/commission/presscorner/detail/en/DOC\\_01\\_9](https://ec.europa.eu/commission/presscorner/detail/en/DOC_01_9)

De Bettignies, Lépineux. 2009. "Can Multinational Corporation Afford to Ignore the Global Common Good?" *Business and Society Review*. 114:2 pp. 153–182.

Eden, Dai, Li. 2010. "International Business, International management, and International strategy." *Int. Studies of Mgt & Org*. Vol. 40 No. 4, pp. 54-68.

Fuchs, Köstner. 2015. "Standardisation and adaptation of firms' export marketing strategies in familiar European and non-familiar non-European markets." *European J. International Management*. Vol. 9 No. 3, pp. 306-324.

Hitt, Li, Xu. 2016. "International strategy: from local to global and beyond." *Journal of World Business*. 51 (2016) pp. 58-73.

Hofstede. “National Culture: dimensions of national culture” *Hofstede Insights*. <https://www.hofstede-insights.com/models/national-culture/> (consulted on 21<sup>st</sup> November 2022).

Hultberg, Pal. 2021. “Lesson on business model scalability for circular economy in the fashion retail value chain: Towards a conceptual model.” *Elsevier: Sustainable Production and Consumption*. Vol. 28 pp. 686-698.

Išoraitė. 2016. “Marketing mix theoretical aspects.” *International journal of research-granthaalayah*. Vol. 4 (Iss.6).

Jin, Cedrola. 2016. “Overview of Fashion Brand Internationalization: Theories and Trends.” *Fashion brand internationalization*.

Lahtinen, Dietrich, Rundle-Thiele. 2020. “Long live the marketing mix. Testing the effectiveness of the commercial marketing mix in a social marketing context.” *Journal of Social Marketing*. Vol. 10 No. 3, pp. 357-355.

Larsson, Jakobsson. 2019. *The Role of Standardization and Adaptation in the Marketing Mix. A case study on a professional service firm*. [Bachelor thesis in Business Administration] Jönköping International Business School.

Levis. 2006. “Adoption of corporate social responsibility codes by multinational companies.” *Journal of Asian Economics*. Vol. 17 pp. 50-55.

Levitt. 1983. “The globalization of markets.” *Harvard University*

Lucas. 2006. “The role of culture on knowledge transfer: the case of the multinational corporation.” *Emerald Group Publishing Limited*. Vol. 13 No. 3, pp. 257-275.

Masroor, Asim. 2019. *SMEs in the Contemporary Era of Global Competition*. 3<sup>RD</sup> *World Conference on Technology, Innovation and Entrepreneurship (WOCTINE)*.

Musso, Francioni. 2014. "International strategy for SMEs criteria for foreign markets and entry modes selection." *Journal of Small Business and Enterprise Development*. Vol. 21 No. 2, pp. 301-312.

Nasir, Altinbasak. 2009. "The Standardization/Adaptation Debate: Creating a Framework for the New Millenium." *Strategic Management Review*. Vol. 3. No. 1, pp. 17-50.

Nonaka, Takeuchi. 1995. *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation*. Oxford University Press.

Ko, Kim, Taylor, Kim, Kang. 2007. "Cross-national market segmentation in the fashion industry. A study of European, Korean, and US consumer." *International Marketing Review*. Vol. 24 No. 5, pp. 629-651.

Opera Campi, "official website", <https://operacampi.com/it/pages/mission> (consulted on 31<sup>st</sup> January 2023)

Otuedon. 2016. "Standardisation versus Adaptation as an International Marketing Strategy: The Role of Cultural Pattern in a Society and its Effect on Consumption." *Journal of Marketing and Consumer Research*. Vol. 23

Petrou, Hadjielias, Thanos, Dimitratos. 2020. "Strategic decision-making processes, international environmental munificence and the accelerated internationalization of SMEs." *International Business Review* 29.

Rifò Lab, "official website", <https://rifo-lab.com/pages/chi-siamo> (consulted on 31<sup>st</sup> January 2023)

Subedi. 2022. "International business: Concept Definition and Characteristics." *Tikapur Multiple Campus*.

Van Waterschoot, van den Bulte. 1992. "The 4P Classification of the Marketing Mix Revisited." *Journal of Marketing*. Vol. 56 No. 4, pp. 83-93.

Vrontis, Tharassou, Lamprianou. 2009. "International marketing adaptation versus standardization of multinational companies." *International Marketing Review*. Vol. 26 Nos 4/5, pp. 477-500.

Yin. 2015. *Qualitative Research from Start to Finish*. The Guilford Press.

Zahoor, Al-Tabbaa, Khan, Wood. 2020. "Collaboration and Internationalization of SMEs: Insights and Recommendations from a Systematic Review." *International Journal of Management Reviews*. Vol. 22, pp. 427-456.