



EJM
39,5/6

Marketing standardisation: tour operators in the Nordic region

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Received June 2004
Revised August 2004

Abstract

Purpose – This paper aims to evaluate the marketing decisions made by European tour operators. It seeks to assess the extent of marketing standardisation/adaptation across and within the Nordic region and to identify the centric profiles of the sample firms in terms of marketing decision-making.

Design/methodology/approach – A multiple case study approach was employed and the research design combined a range of empirical data gathered from regional headquarters and one subsidiary.

Findings – These indicate that the case study firms manage marketing regionally, at the same time; certain activities are adapted to local market and competitive conditions. It is clear that the “think regional-act local” philosophy or “cooperative centralisation” is a challenge for tour operators to manage and that the level of international marketing standardisation is affected by situation-specific factors such as product and industry characteristics.

Research limitations/implications – Any bias in the research as a result of basing findings only on the views of executives interviewed and upon company documentation is tempered with reports from outside sources. Further research needs to be undertaken at the corporate level, in other source markets, and longitudinally. It would also be interesting to carry out a comparative study of other types of firms.

Originality/value – This paper contributes to our knowledge of marketing standardisation/adaptation from the perspective of a regional market-place by investigating the strategic approach chosen for the establishment of marketing decisions. In exploiting the concept of centricity, it is more conceptually grounded than some previous studies.

Keywords Standardization, Marketing management, Tourism, Scandinavia

Paper type Research paper

Introduction

The debate over the extent of international marketing standardisation or adaptation is a long one. Solberg (2002) refers to it as “the perennial issue” (p. 1), particularly in international marketing communication. According to O'Donnell and Jeong (2000), the debate has taken place over more than four decades and has centred on the relative benefit and costs of each approach. Ryans *et al.* (2003) suggest that marketing practitioners have debated the issue for more than 80 years.

Chung (2003) suggests that research on the standardisation of marketing can be divided into two categories. Firstly, in the home-host scenario the main research issue is the extent to which a standardised marketing strategy can be transferred from the home to the host market. Secondly, the key issue in the intermarket scenario is “determining whether it is possible to transfer a standardised set of programs and processes from one foreign market to another or to apply a uniform marketing strategy



in a regional market” (Chung, 2003, p. 49). This paper provides an analysis of empirical results about the regional marketing activities of a sample of firms, thus adopting the second scenario. Previous studies examining how products are marketed in multiple international markets have focused on US multinationals in a particular region such as the European Union (Boddewyn and Grosse, 1995), Latin America (Grosse and Zinn, 1990), and Central Eastern countries (Schuh, 2000). Chung (2003) has studied Australian and New Zealand multinational firms in Greater China. This paper broadens the existing research scope by investigating the experiences of European firms in the Nordic region. The Nordic countries – Denmark, Finland, Norway and Sweden – share a geographical situation at the northern rim of the continent (Ylalahti, 1999), three out of four Nordic countries speak the same language (the Finns have their own language) and research has found that there are some distinctive aspects of Nordic management (Lindell and Arvonen, 1996). Though they are often treated as one unit in international comparisons (Nielsen *et al.*, 2003), it should be noted that in socio-cultural terms there are many differences.

Previous research has also reiterated how the decisions about standardisation are affected by situation-specific factors such as product and industry characteristics (Wind, 1986). For example, it is often said that firms supplying consumer goods show a higher propensity to customise marketing than the industrial goods industry. Among consumer goods, consumer non-durables often require greater adaptation because they conform more to local tastes, habits and customs (Whitelock and Pimblett, 1997; Whitelock, 1987). Because of their unique characteristics of intangibility, perishability, inseparability and heterogeneity (Shostack, 1977), services are even more likely to be adapted to local host markets. Most studies in the intermarket scenario have ignored the experience of service providers (Boddewyn and Grosse, 1995). In response to this criticism, the focus of this paper is on tour operating firms from Europe. In providing holidays to customers from across national borders (often in the same destinations), they undoubtedly face interesting managerial challenges in operating internationally. Whilst there have been several investigations into the competitive operation of tour operators in the two main European markets of the UK (Davies and Downward, 2001a, b, 1998; Taylor, 1996; Evans and Stabler, 1995; Baum and Mumdambi, 1994) and Germany (Gauf and Hughes, 1998; Gratton and Richards, 1997), there has been a dearth of research focusing on their activities in the third largest market, the Nordic region. The latter is, therefore, the focus of this study. In addition, whilst there has been some limited research into the competitive strategies of tour operators (Bywater, 2001; European Union, 1999, 2002; Klemm and Parkinson, 2001), their branding strategies (Westwood *et al.*, 1999; Gilbert and Hewlett, 2003) and the relationship between tour operators and international destinations (Medina-Munoz *et al.*, 2003; Medina-Munoz and Garcia-Falcon, 2000; Tapper, 2001), the author could not find previous research into the international marketing activities of tour operators.

Given these number of research gaps, the paper aims to evaluate the marketing decisions made by European tour operators. More specifically, it seeks to answer questions related to marketing standardisation, for example, what is the extent of marketing standardisation/adaptation across and within the Nordic region and what is the centric profile of the European tour operators in terms of marketing decision-making? The paper contends that the level of standardisation/localisation

adopted will be part contingent on the strategic approach chosen for the establishment of marketing decisions.

The paper firstly reviews previous research into the standardisation/adaptation issue. In particular, it focuses on research, which has taken a more organisational perspective. The research method of using multiple cases studies is then explained. The final two sections forward the discussion of findings and the conclusions emanating from the research. Areas for further research are recommended.

Marketing standardisation versus adaptation

As a reminder of the standardisation versus adaptation debate, Levitt (1983) as the first main proponent of the expanded debate about standardised global marketing planning argued that many national differences were being obliterated by the globalisation of markets. His underlying message was that well managed international companies should move their emphasis from customising items to offering globally standardised products that are advanced, functional, reliable and low priced. Other pioneers on the side of standardisation have included Bartels (1968), Buzzell (1968) and Keegan (1989). Meanwhile, authors such as Wind (1986) have argued the case for the adaptation of or adaptation of marketing in the realisation that there are strong obstacles to standardisation. Therefore, the proponents of marketing adaptation or internationalisation (Boddewyn *et al.*, 1986; Hill and Still, 1984) have listed catalysts for localised marketing such as economic, law, political, and technological differences amongst host country markets, although it is cultural variations that have been said to affect market behaviour the most (Usunier, 2000). In a more radical way, Rugigrok and van Tulder (1995) state that globalisation seems to be as much as an overstatement as it is an ideology and an analytical concept.

More recent research has pointed to the fact that neither standardisation nor complete adaptation is feasible. Therefore, in the middle of the standardisation and adaptation continuum is a contingency position, where both marketing processes coexist. Put another way, what seems to be the case is that goals of reducing costs and complexity, developing a global uniformity and image and capitalising on synergistic and transferable experience are all factors, which lead firms to consider standardisation. Meanwhile, a customer orientation or a wish to satisfy consumer's diverse needs sways them toward product adaptation. In a survey of 124 UK multinational companies, Vrontis (2003) found that the sample firms integrated both adaptation and standardisation approaches in their effort to increase organisational profitability and maintain marketing orientation. A further finding pointed to the fact that this "balance" was difficult to achieve and was indeed "very challenging" for the multinationals surveyed.

Most of the literature on adaptation and standardisation of the international marketing mix has tended to focus on two dimensions (and the trade-off between them), namely, cultural diversity versus the convergence of markets and economies of scale in marketing, research and development and production. Solberg (2000) suggests that little attention has been given to other factors, in particular to the influence of the strategic choices made by organisations on international marketing decisions. One earlier exception is the work of Martenson (1987). Her research did point to the fact that the way a company chooses to organise its foreign activities will have significant implications for the degree of standardisation of its marketing activities. Solberg (2000)

argues that the clear trends amongst multinationals to centralise control at the headquarter (HQ) level must have an important bearing on the degree of standardisation of marketing activities and he asks the question, "how should MNCs control the marketing efforts of their subsidiaries?" He goes on to suggest a taxonomy of organisational solutions in which "knowledge at HQ of local market conditions (deep or shallow) and the decision-making centre (at HQ or locally in the market) constitute the main dimensions in a 2×2 matrix" (2002, p. 2). Vrontis (2003) also found that the level of delegation given to subsidiaries and their relationship with the HQ affected decisions about the degree of adaptation/standardisation of marketing activities.

In a similar vein, one could argue that the degree of marketing standardisation will be influenced by the international management approach taken by multinational firms, or what Perlmutter termed the "centric profile" of firms in his seminal work of 1969. The latter defined the multinationality of firms in terms of managers' mindsets contrasting ethnocentric (home-country oriented), polycentric (host-country oriented), regiocentric (regionally-oriented) and geocentric (world-oriented) approaches. Theodosiou and Katsikeas (2001) list Perlmutter's work in a review of extant literature into contextual factors that determine the appropriate degree of marketing programme standardisation. Heenan and Perlmutter (1979) used the same centric terminology to describe the distinct strategic predispositions in multinationals. This predisposition shapes the company's mission, governance structure, strategy, organisation structure and organisational culture. The latter influence strategic choices about approaches to marketing, for example, the processes and procedures employed when formulating marketing strategy, determining marketing budgets, undertaking marketing research and developing marketing programmes. In particular, the degree of standardisation/adaptation of these marketing activities between countries of operation will be influenced by the centric orientation of the firm (Keegan and Green, 1997). Table I outlines the different centric marketing approaches.

In reality, seldom are any of these perspectives found in their pure form, levels of centricity can vary across different marketing activities. Whereas, the ethnocentric marketing approach fails to recognise differences between countries, the polycentric approach does not allow for the utilisation and exploitation of knowledge and expertise accumulated over the years by the multinational firm. Nonetheless, although consumer behaviour is culturally bound, for certain products and services there are some homogenous customer needs (arguably the contingency concept discussed above). Therefore, the case can be argued for a geocentric (or at least regiocentric) approach to the marketing function. However, this "ideal" state, alternatively termed "glocalisation" by Svensson (2001), involves the challenging integration of different levels or extent of standardisation/adaptation across and within marketing activities. Although the centricity concept is a little dated, previous research into international marketing has utilised this less fundamentally, most empirical research in particular having been applied to the human resources practices of multinational firms. With this in mind, it seemed appropriate to integrate the theoretical viewpoints held by the proponents of centricity with those having researched the role of the organisation as a determinant of the extent of marketing standardisation. Thus, the main contention is that the standardisation/adaptation issue is part contingent on organisational variables such as the strategic approach chosen for the establishment of marketing

Centric approach	Marketing activities
Ethnocentric approach	Minimal product adaptation to overseas markets. Expansion based on home-country needs. Marketing programmes determined on basis of home-country standards. Marketing communication developed by home country
Polycentric approach	Products customised for location. Market expansion based on host-country needs. Pricing strategies developed to suit local economic conditions. Marketing communications developed by host country for host country
Regiocentric approach	Product developed to suit regional standards with local adaptation. Marketing programmes and activities are developed and organised by regional office. Adaptations of standards and values to suit the local market, following certain regional and corporate requirements at the same time. Benchmarked against regional competition
Geocentric approach	Product developed to suit global standards with local adaptation. Markets selected to suit corporate strategic plans. Communications developed for global use with local variations. Pricing strategy for corporate objectives and adapted to suit local economic conditions

Table I.
Profile of different centric
marketing approaches

Source: Adapted from Roper *et al.* (1999)

decisions. The paper, therefore, aims to evaluate the marketing decisions made by a sample of tour operating firms utilising these integrated theoretical perspectives.

Research method

In a desire to contribute to research into international marketing from an organisational perspective, this study consists of research into selected tour operating firms. Holloway (1998) defines tour operators as companies, who purchase separate elements of transport, accommodation and other services, and combine them into a package, which they then sell directly or indirectly to consumers. Although the package tour is a mass-produced combination of pre-arranged services, it is at the same time, a complex and vulnerable service product. It is intangible (Gabbott and Hogg, 1998) and highly perishable.

In line with the work of Eisenhardt (1989) and Yin (1994), a multiple case study approach was used. The aim was to examine a number of firms in order to elicit patterns common to cases and theory. In Europe, there are six large tour-operating firms (Table II for a list of these firms).

These firms are not always stock markets' favoured stocks because they have been hit badly by general stock market conditions (events such as 11th September 2001) and they have overall vulnerability in terms of relying on consumer discretionary spend. However, there is no denying that they are becoming major multinationals and that large numbers of the population in markets such as the UK, Germany and the Nordic region buy and experience their products/services annually, whilst many businesses in destinations rely on them for their livelihood. The researcher selected tour operating firms operating in the Nordic region. Here, just three firms, all listed on stock exchanges outside of the Nordic countries hold an oligopoly position with a combined market share of 77 per cent of a 4.37 million-customer market (www.Fritidsresor.se). Two of the firms had acquired their Norwegian subsidiaries in the mid-1990s and the

other firm in 2000. These three firms formed the multiple case study set. Evidence from a range of sources was used, namely, secondary data sources, semi-structured interviews, telephone interviews and document analysis. O'Donnell and Jeong (2000) state that in order to gain more empirical evidence on the issue of global standardisation, "the most appropriate research designs would be those that combine both the headquarters and subsidiary perspectives by collecting data from multiple locations within each firm in the sample" (p. 30). To this end, interviews were carried out with executives from the three firms at the Nordic regional level and at the level of the Norwegian source market (as an example of one subsidiary in the region). An initial semi-structured interview protocol was designed and piloted. This was modified and adapted and eventually three interview schedules were developed for use with country and regional-level executives and one expert witness. These were closely adhered to throughout the interview process. Country-level respondents were asked about the organisation as a whole (at the owning company and regional HQs levels); the structure and role of the subsidiary HQs in Norway; and the characteristics of the Norwegian market for package tours. In addition, the Head of The Norwegian Travel Trade Section of The Confederation of Norwegian Commercial and Service Enterprises (HSH) acted as an expert witness on Norwegian issues and interviews at the beginning and during the research process were undertaken with this respondent. Regional directors were asked questions about the dynamics of the tour operating industry across the region and how their organisation strategically managed marketing across the Nordic countries. In addition, follow-up telephone interviews were undertaken with many managers in order to elicit further information after the interview transcripts had been produced. The research team comprised three researchers (two of whom were Norwegian) and all three attended the semi-structured interviews held in English. This allowed perspectives to be shared, discussed and contrasted in sessions post-interview. All interviews were tape-recorded and full transcripts made. The interview results were combined with other documentary evidence (such as internal reports, tour brochures and other advertising material) and secondary data such as company and analysts' reports, thus enabling the triangulation of data. From a cultural perspective, it was interesting to interpret the data from a Nordic (and more specifically Norwegian) and English point of view. In line with a hermeneutics approach (Bentz and Shapiro, 1998), the research findings in the form of text were analysed several times and initial understandings refined, returned to and then revised until the research team felt that they were beginning to better understand the perspectives of respondents and the marketing approaches of the firms' studied. Approaching this as a research team assisted in guarding against selective and biased interpretation (Robson, 2002).

Tour operator group	Country of origin	Turnover in 2001 (Euros) (billion)
TUI AG	Germany	14.0
MyTravel	UK	8.2
Thomas Cook	Germany	7.9
Rewe and LTU	Germany	4.7
First Choice	UK	3.9
Kuoni	Switzerland	2.7

Source: www.fritidsresor.se

Table II.
European tour operators
ranked by turnover
in 2001

Discussion

The discussion is divided into the following sub-sections: responding to local subsidiary issues, managing marketing regionally and becoming federated companies.

Responding to local subsidiary issues

It was clear from the interviews with subsidiary and regional managers that the marketing decision-making (and the whole production) process had altered overtime. In the early days of having a presence in Norway, the firms allowed the subsidiaries to coordinate and control marketing activities, much like Solberg (2000) "local baronies" (characterised by a company with limited local knowledge and high degree of autonomy in the local representative). Marketing was, therefore, customised at this stage. According to Marginson (1994), the method of growth employed by multinational firms affects managerial approaches adopted. Acquisition strategies have been shown to lead to such polycentricism. However, any leverage held by subsidiaries had now changed (or was changing in the case of the new entrant), as one respondent stated:

I think the Norwegian head offices have got more the character of being only sales offices. The decisions, strategy, prices and campaigns are mostly done in Sweden now and not in Oslo.

Although the subsidiaries still undertook market research, made decisions on the number and to an extent the design of tour packages, carried out marketing communication activities, distributed packages, and handled complaints; the more strategic marketing activities were centralised at regional HQ. However, there were good reasons why firms had decided to localise some activities. The Norwegian characteristics of conservatism and the search for security when purchasing an important product such as a holiday were seen to be somewhat distinctive. As one Norwegian respondent commented:

I am from Trondheim, and when you go there you do not phone an Oslo company to buy your holiday, you go to your little friend Kari or Ola in the travel agency and you book what they say.

Ylalahti (1999) refers to a shift towards such "stability seeking" (p. 29) by Norwegian consumers as a result of a more unsettled economy. The oligopolistic structure of the industry in Norway was also unique in the region. Whilst much has been written about how marketing is culture bound (see Usunier in particular), previous studies such as that carried out by Jain (1989) have also noted how differences in competitive environments have been adaptation drivers. Regional and subsidiary managers explained the outcome of this strategy:

Our Norwegian business must be run the way the management there feel is the best way to run it.

There is much openness in the organisation on how to adapt to the needs of local markets. We have a much stronger degree of freedom to act within our own local market . . . but this is as long as we are profitable.

As a result, subsidiaries operated as separate profit centres and managers were able to assert their own style in implementing marketing decisions and policies (even if they had not decided on these themselves). One sample company, for example, noted that:

Our philosophy is that we need to have profit responsibility in the country, because they are local. They are the ones facing the customer . . . they are generating the revenue.

This is in line with the findings of Quelch (1992), who found that market-related tasks were the most important managerial roles for country managers of multinational companies.

Managing marketing regionally

The important pre-production and production/consumption decisions were very much regionally determined though. The offices in Stockholm were described by one respondent as the “brain” and this is where all negotiations and agreements with suppliers (both internal and external), particularly at the destination level, were carried out. It is clear that a completely polycentric, adaptive approach would result in some drawbacks. Solberg (2000) view is that to leave marketing responsibility totally in the hands of the local subsidiary would be to risk the development of local, autonomous barons “who may become disturbingly independent” (p. 9). In addition, there would be duplication in production and there might also be an undervaluation of the experience of the home country (Perlmutter, 1969), in this case more the regional HQ. As the latter had gained more knowledge from country markets, decisions had consequently been centralised. Motivating this decision-making structure were the goals of reducing costs and complexity and capitalising on synergistic and transferable experience. As a result, the package tour product was being standardised (albeit it regionally): “We now have one tour operation business across four countries, with one product” (regional respondent).

One advantage of managing the components of the product/service regionally was that during the build-up to the main summer season, and perhaps even during the season itself, all the companies were able to swap capacity between Nordic countries. As one respondent commented:

We have a full floating system that we can use. So if we see that the Danes are very successful at one destination and the others are struggling, we can shift the capacity to a certain degree, depending on how many hotels we have and capacity of beds. It is not very often that we switch seat capacity from Sweden to Norway, but it happens.

This “shifting of capacity” illustrates the advantages of being able to spread risk as a result of operating in different markets and thus gaining better efficiency in managing this centrally. The push to the centralisation of production can easily be argued when one considers the importance of gaining optimal cost structures through the achievement of economies of scale in an industry, where even the better performers only achieve a 4 per cent profit margin.

One regional manager argued the case for this standardisation on the grounds that it was now possible to devise a core (standardised) product to be sold across the Nordic region due to similarities in customer needs. Jain (1989) termed this an “intermarket segment”. An analysis of the destinations served by this same firm also indicate that in absolute terms the majority of its Nordic customers travel to sun and beach destinations located around the Mediterranean Sea and the Canary Islands. There was, therefore, much evidence of being production-driven in their design based solely upon the capacity of flights from Norway to the different destinations rather than approaching the product design stage with a “clean sheet of paper”. For this firm,

product standardisation did economically “pay off” (Schuh, 2000) due to the relatively small markets in the Nordic countries.

Becoming federated companies

The Nordic tour operators appears to be “federated” (Solberg, 2000) companies. They have strong desires to control costs, whilst being less driven by the need to adapt to every local cultural peculiarity. Whilst there was some obvious hostility from subsidiary managers (some whom had been used to being local baronies previously) towards the standardisation strategies now employed by their firms, nonetheless there seemed a high level of communication between subsidiaries and HQs, suggesting aspects of “cooperative centralization” (Solberg, 2000, p. 5).

What is being evidenced is a complex integration of different levels of or extent of standardisation/adaptation across and within marketing activities (Svensson, 2001). In terms of centricity, the approach is one of regiocentricity. Globalisation and regionalisation are part of the same phenomenon; any apparent differences between them lie at the level of observation, not in the fundamental forces at work. This approach therefore, encourages cultural diversity (as we have seen above) and synergistic benefits between regional HQs and subsidiaries, thus encompassing worldwide and local objectives. Respondents were very quick to point out that there were more synergies on a regional level than on a global level, for example:

Synergies are good to a certain point, but if you go above that point they might become de-motivating because everyone wants to run their business independently. Our philosophy is very much that if we have strong local regional management and they get sovereignty so to speak we think it is better for our overall business rather than trying to control everything in detail from a global level.

The dual goals of managing complexity and cost reduction, and being customer-oriented are well served in this regiocentric mind-set to doing business in the Nordic region. The adaptation of marketing and sales activities appear to be very workable for the sample, mainly because “the value of the brands is tremendous in the market” (country respondent) with customers seemingly convinced that the firms are still, in this case, “Norwegian”. In terms of the standardisation of pre-production and production activities at the regional level, there are great advantages in managing capacity on this larger scale and according to subsidiaries the result is better products for them to include in their specific packages and at a better price, thus positively affecting the overall profitability of the national brands. In the case of Nordic regionalisation perhaps this works well. The industry in the Nordic countries developed during the 1950s with the first operators like Tjaereborg, Fritidsresor and Vingresor expanding naturally from their Danish or Swedish bases to offer package holidays across the Nordic region (www.Fritidsresor.se). The previous owners also operated with regional structures (even if standardisation of production was not the case). There is a history of this type of regionalisation, even if structurally more than operationally. Schuh (2000) interprets the establishment of a regional management structure as a transition point from a rather opportunistic to a more strategic approach to marketing within a defined economic area (in his research, the Central European rather than Nordic countries). One likely development may be the move to further centralisation in Stockholm (and Europe), which may lead to less differentiation,

regionally, of the products. One sample firm was further down the road to developing a “European buying pool”:

We are trying to utilize the size of [owning company X] so we actually have a contracting organisation set up across Europe ... meaning that we can go to hoteliers in certain destinations and say that we need 40,000 beds for 14 source markets at this price range. We are gaining great leverage from this type of purchasing power (regional respondent).

Perhaps, this could be seen as evidence of a further transition point towards a global marketing approach.

There was also a further trend, which had implications for marketing standardisation. In the package tour, production and consumption are simultaneous. It is often the regional or corporate offices, which are the lead organisations at this stage of the process. Strategic decisions to standardise destination management (at the point of production and consumption) and to introduce master brands are indications of a move towards more corporately oriented control (and possibly a more geocentric mind-set amongst corporate executives), and as such is an indication of trying to establish universal standards and to reduce the number of variants in terms of the quality and image of this highly perishable product.

In his research, Vrontis (2003) argued that global uniformity and image were the most important reasons pushing multinational companies towards product standardisation and that companies’ desire to promote a uniform image around the globe has driven them to consider standardisation of international marketing practices. This is also an illustration of where further economies can be gained in this thin margin business.

However, subsidiary managers displayed resistant and sometimes obstructive behaviour to what they saw as examples of corporate HQ having relatively shallow knowledge about their markets. Solberg (2002) warns that management must be prepared to face a somewhat “cooler” cooperative climate when instigating standardisation programmes, even when HQ has good overall market knowledge.

To conclude this discussion section, there is evidence that the sample firms utilised a mixture of approaches to marketing management in the Nordic region. There was evidence of polycentricism or localisation at the subsidiary level and also strong managerial drivers towards regiocentricism and corporate standardisation. The conclusion evaluates these findings in the wider context.

Conclusion

The European tour operators had a vision of a regional Nordic market. Managers in the regional HQs, originated from, as well as, thought regionally, but at the same time they also saw the benefits of acting locally. This regiocentric orientation reflects the firms’ ability to manage marketing regionally, responding to increasingly regional market needs, whilst maintaining an interest in and response to local issues. Companies entering Central Eastern European countries had also established “regional management centres”, which Schuh (2000) saw as an attractive organisational device to transform a global strategy to regional characteristics. The Nordic region mainly consists of countries with relatively small markets (compared to the UK and Germany); therefore, geographic concentration of marketing activities helped the tour operators to obtain economies of scale and scope, again a finding consistent with

Schuh's research. However, there is no doubt that this is a somewhat difficult balancing act. Whilst respondents recognised regional similarities and could characterise the "Nordic" customer they also acknowledged the cultural nuances of customers from the different countries. In addition, although they appreciated gaining "good products at good prices", there was obvious competition between subsidiaries, not least of all the Norwegian managers continual argument that they were in fact the "cash cow" for the region (largely due to the higher prices charged in Norway due to the strength of the Norwegian Kroner and the oligopolistic market structure). In line with other authors such as Svensson (2001), the findings point to the fact that to manage marketing activities in this way – adopting cooperative centralisation and the "think regional – act local" philosophy – is indeed challenging.

Industry and nature of the product do play a part in determining the extent and level of marketing standardisation. These are mediating variables, which were strongly advocated by Wind (1986). The tour operating industry is characterised by a highly perishable product and thin margins. The sample firms strove to reap economy benefits (and gain price leadership) through standardising the production process (or the "back-stage" production elements) and were beginning to standardise the product itself. Chung (2003) also found that multinationals operating in Greater China followed standardisation strategies. However, from the findings of his research, the author suggests that firms should adapt product offerings if products are services, especially those that require high supplier-client contact. This was not the case amongst tour operators, who looked to standardise more the services provided at the destination. On the other hand, in the Norwegian source market, the subsidiaries were given discretion to adapt marketing communications and distribution. Therefore, in tour operators we see the processes of adaptation and standardisation coexisting (Vrontis, 2003). These are characteristics requiring the very best "federal" and regiocentric marketers.

There are of course limitations to the findings of this study. The researcher has had to base her findings only on the views of executives interviewed rather than extending discussions with front-line employees. However, it is believed that any bias is tempered with reports from stockbrokers and articles in the financial press, particularly in the interpretation of findings related to financial performance and questions were asked about consumer response to the strategy employed. This study has added to our knowledge of marketing standardisation/adaptation from the perspective of a regional market-place by investigating the strategic approach chosen for the establishment of marketing decisions by European tour operators. In exploiting the concept of centrality, it has tried to also be further conceptually grounded than previous studies.

The standardisation/adaptation is still empirically under-researched, especially in terms of qualitative evidence. The context of this research is somewhat novel. Further research needs to be undertaken at the corporate level of tour operators, and in other source markets, in order to gain an even better picture of how and why these multinationals manage and operate in the way that they do. For example, recent research by Smith *et al.* (2003) found cross-national behavioural differences (particularly related to management styles) between Nordic managers. Therefore, extending the study in the first place to just the other Nordic source markets might present interesting findings about subsidiary approaches linked to differences in managerial style and consumer cultures. In addition, there is a need for a more

longitudinal view. With tour operators under pressure to return better value to shareholders and in the case of some organisations in the UK, to financially survive, one could speculate that these organisations will become even more standardised in their approaches to marketing in the future. The views of employees and individual partners and business enterprises at the destination level could be sought in order to find out more about the marketing decisions of tour operators in the actual “moment” of production/consumption. It would also be interesting to carry out a comparative study of other European firms operating across the Nordic region to establish how they manage marketing strategy. This would help to argue the case whether the tour operating industry and product is “highly situation-specific” (Schuh, 2000) in its impact on marketing standardisation or whether there are regional dimensions.

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