CONSUMERS’ PERCEPTION ON STANDARDIZED ADVERTISING AND LOCALIZED ADVERTISING OF MULTINATIONAL COMPANIES IN THE SMARTPHONE INDUSTRY

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ABSTRACT

This research analyzed the difference between standardized advertising and localized (adapted) advertising based on the perception of consumers from China and the U.S. Both qualitative and quantitative analyses have been used to evaluate different marketing approaches in multiple international markets. The emphasis of this study focuses on evaluating the efficiency of advertising by assessing to what extent a standardized and localized commercial enhances brand preference and consumer’s likelihood to purchase.

Quantitative analysis was conducted to identify the significance of the difference between the efficiency of standardized advertising and localized advertising in the smartphone industry, based on the perception of consumers from China and the United States in the smartphone industry.

By testing the significance of the hypothesis on ad standardization and localization, some implications are suggested. The results show that it is more effective to implement a standardized ad rather than a localized ad in China. Although the sample data of this study is collected from China and the U.S., qualitative analysis covers multiple nations from Asia to Europe and has meaningful empirical value for MNCs to develop business in those countries.

Keywords: advertising, standardization, localization, adaption, China, consumer, smartphone, efficiency, brand preference, purchase likelihood

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INTRODUCTION

Along with the economic globalization, more and more multinational corporations (MNCs) are facing the issue of standardization or localization (adaptation) of their advertising. In order to deal with this issue, many factors related to advertising should be considered to make a decision. Those factors include cultural environment, economic and legal conditions, consumer profiles, and kinds of environmental determinants of the specific firm, such as managerial and financial characteristics, nature of products and the relationship between multinational advertisers and agencies (Papavassiliou et al, 1997).

Because there are so many variables to determine the performance of an international advertising, it is almost impossible to make a single value judgment on advertising based on general research.

Due to conflicting results and the ambiguity of several researches, by now, the long-standing debate on the benefit of standardization in international commercial has not come to a general conclusion (Harris and Attour, 2003), because of the different definitions of standardization of advertising, some parts of it maybe just not verifiable. Although many studies believe that global marketing strategy is very essential for MNCs’ performance (Yip, 1995; Zou and Cavusgil, 1996), the definition of standardization and its impact have never been reached an agreement.

In this situation, delivering the right information helps to increase the consumer’s likelihood to purchase and prefer the brand through the commercial, which is an ultimate business issue, would be very challengeable. Considering the costs of research and the dearth of empirical support for the opinion that there is a relationship between advertising standardization and a firm’s performance, many managers would like to make decisions based on their intuition, relying on seat-of-the-pants decision making. When those high level subjective decisions are made, chances are that managers are putting their companies in great uncertainty, which may result in huge risk in a long run (Zikmund, 2012).

Although extensive research has been done regarding the benefits and barriers of advertising standardization for MNCs that operate business in different countries in the world, the results are complex and conflict with each other relating to the efficacy of advertising standardization and no general conclusions have been reached (Jain, 1989). One of the biggest reasons is that there is no clear definition of standardization and many companies are using strategies that combines both standardization and localization, which makes it hard to identify the real approach to be tested as efficient or not.
Apple is using a very strong standardization in their product portfolio, iPhone and iPod are launching in different countries all around the world. However, when it goes to its TV advertising in China, Apple uses the US versions as well as different versions that produced in China, this combined strategy has the advantage of attracting different consumer segmentation from the market; however, it also makes it very hard to test the efficacy in either standardization or localization. Because whatever the business outcome is, it is not possible to establish a correlation with either of those approaches.

This research tries to study the perception of Chinese and U.S. consumers on very detailed international advertising practices in a specific industry, so that the difference between the response on localized version and standardized version of an online advertising can be compared.

LITERATURE REVIEW

The Definition of Advertising Standardization

During the past 30 years, the definition of advertising standardization was not clear and there were many different versions. Onkvisit and Shaw noted that “an advertisement which is used internationally with virtually no change in its theme, copy or illustration, except for translation when needed” (1987,p.50). While Duncan and Ramaprasad stated that, “standardization means keeping one or more of the three basic components of a multinational advertising campaign—strategy, execution, language—the same”, (1995, p.55). From these statements, a definition can be found from what constitutes advertising standardization and Duncan and Ramaprasad’s statement is more flexible than Onkvisit and Shaw’s, which gives a more broad approach to standardization.

Simultaneously, some quantitative analysis has been done to give a clearer picture of standardized advertising. Attour and Harris (1997) sampled from marketing executive of MNCs asking them to rate the extent of the standardization of their advertising. Marketing experts’ opinion on degree of standardization based on scoring models also be gathered and analyzed by several researchers.

Creative Strategy

<table>
<thead>
<tr>
<th>Type I: Global Strategy</th>
<th>Type II: Global Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Standardized Strategy</td>
<td>Highly Standardized Strategy</td>
</tr>
<tr>
<td>Adapted Execution</td>
<td>Adapted Strategy</td>
</tr>
<tr>
<td></td>
<td>Adapted Execution</td>
</tr>
</tbody>
</table>

Figure 1. A Model of the Dynamics between Standardization in Creative Strategy and in Execution

Source: Wei and Jiang (2005, p.841)

Based on the consideration that there are different types of approaches to global strategy as well as its standardization approach, Wei and Jiang (2005) developed a model with a typology constructed by dimensions of creative strategy and execution (see Figure1). The distinctive advertising approach was analyzed by Wei and Jiang(2005): global strategy, glocal strategy, local country-specific strategy and single-case strategy. From this model, it is easy to find that the standardization strategy is included in three of the four dimensions, indicating how critical it is to conduct research on this arena to get empirical values on the why and how to employ standardization strategy.

According to Wei and Jiang (2005), the global strategy is defined as highly standardized creative strategy with highly standardized execution. Based on this standard, the only thing that a local subsidiary can adapt to the advertising is language translation, all of the other elements of advertising, such as themes, positioning, illustration and copies must follow a global standard without any change. The glocal strategy is a combination of global strategy and local strategy, by which high levels global strategy is established by a firm’s headquarter and subsidiaries are able to implement that strategy based on their specific business environment. The local strategy is characterized as a low creative strategy coupled with a low standardization in execution, by which a local subsidiary is authorized to produce its own advertising message based on its perception of local conditions. The single case strategy is the combination of low creative strategy and a high execution approach, from with a standardization decision is made basing on a specific case, it can be either highly standardized, or adapted strategy.

Although the standardization model designed by Wei
and Jiang (2005) provides a clear positioning of advertising standardization on this long-standing issue, it may not be adequate for either managers or researchers to judge the standardization approach delimit the decision making on international advertising (Jiang & Wei, 2012).

Harris (1994) noted that many studies had focused on general “national culture and the extent to which it influences consumer decision making”, rather than “seeking to establish weather standardization can, or has, improved the advertising output of the companies in question”. In other words, there are too many studies that emphasize the theoretical study on culture difference related to advertising standardization, few of them would be able to give some empirical indication that helps a company to enhance its marketing strategy to meet the consumers’ wants and needs in a specific market. Harris argued that there are many forms of advertising standardization and most of MNCs employ a mixed strategy, and that advertising strategy is not an either/or decision.

Because there is very little agreement in the historical literature as to what is advertising standardization and if it is effective or not; previous research shows a very contradictory approach with both favorite or opposite research results.

Positive view of standardization: Advertising standardization is necessary to achieve both financial performance and strategic performance of MNCs and is consistent with the emerging global cultural value.

A global marketing strategy is essential for MNCs to standardize their marketing activities, one being advertising implementation. The Global Marketing Strategy (GMS) model established by Zou and Cacusgil in 2002, including concentration of marketing activities and promotion standardization, provided a broad basis for “resolving the current incongruence in the definition of global marketing strategy”(p.52).

There are some significant findings in Zou and Cacusgil’s research related to global marketing standardization (2002). For example, they found that global marketing strategy has a “positive and significant effect on a firm’s global market performance” and there is a “fundamental relationship between global marketing strategy and a firm’s global market performance”(p.52-53).

Zou and Cacusgil(2002) suggested that MNCs should employ a unified global marketing strategy, including standardization of marketing programs and coordination of marketing activities, however, “the specific degree of standardization and integration that the firm should seek depends on both its external and internal environment”(p53).

The effectiveness of advertising is defined as at what extent a company’s advertising induces consumer to like the brand and purchase their products or services (Okazaki S., Taylor C.R., Zhou S.,2006). Yip(1995) also noted that the primary purpose of international advertising is to improve the brand and product image of a firm on a global base as well as to increase revenue.

Some studies found that advertising standardization has a positive relationship with a firm’s strategic and financial performance.

According to Zou and Cavusgil (2002), “strategic performance refers to success in achieving the firm’s strategic objectives by implementing a global strategy. While financial performance often represents the most important long-term goal for firms. The achievement of strategic objectives is likely to be related to future financial performance”. Okazaki, Taylor and Zhou (2006) provided support for the application of advertising standardization. However, one of critical limitations of this study is that it measured managerial perception of performance, not the actual outcomes of firms.

Levitt(1983) also supported the view that in order to achieve competitive advantage, MNCs need to lower their prices on both their products and marketing programs by standardization.

Okazaki (2010) believes that “consumer social interaction with brands increasingly transcends territorial boundaries and become increasingly global”(p.21). Okazaki represents multiple scholars who argue that the increasing globalization has made an global consumer culture(GCC), under which consumers in different countries around the world are tend to use a particularly featured products and consistent with one consumption global culture(Okazaki and Mueller, 2008).

Multiple past studies proposed that a “universal cultural values” manifested in advertising had a trend to transcend territorial boundaries (Jiang and Wei, 2012). For instance, Okazaki and Mueller(2008) found that American advertising had more and more Japanese factors while Japanese advertising appeared to have been influenced by American culture. Akaka and Alden(2010) call this phenomenon as “universal values”.

Negative view of standardization: Cultural value differences and specific business environments should be addressed first

Although the topic of advertising standardization is popular and that many scholars support this view, there are also many researchers against standardization and believe that the relationship between standardization and performance is ambiguous and that the different cultural value, asocial-economic environment and governmental regulation should be addressed at first place.

Kanso and Nelson (2002) found that the advertising localization overshadows standardization due to the cultural difference so that “local concerns must be considered for successful international advertising campaigns”.

Muncy (1991) found that culture value is one of the most researched topics in advertising related to academic articles. Taylor (2005) regarded culture as one of the eight most significant areas for academic research in international advertising area. A different definition has been given on culture and cultural values. Fam and Grohs(2007) define culture as a personality of a society, while Hofstede(1980) considers culture as a group that shares “the interactive aggregate of common characteristics”(p.19). Critics of standardization argue that the “different market conditions and culture uniqueness” jeopardize the effectiveness of advertising standardization (Nelson and Paek, 2007). As a carrier of culture values, advertising tend to reflect social currents that “can be used.
to shape consumption ethics” (Cheng, 1997; Mueller, 1987). They pointed out that it is critical for a successful advertising campaign to understand the local culture and tailor advertising to fit that specific culture (Fam & Grohs, 2007).

Green, Cunningham, & Cunningham (1975) analyzed the advertising standardized approach in soft drink and toothpaste industry in United States, Britain, French and India, concluded their study by rejecting the idea that international advertising should be standardized.

Ali & Richard (2002) also believed that the use of standardization approach to target different countries is “ill advised” and that the key to achieve effectiveness of international advertising is to localize and adapt to any environmental differences (p.79-86).

Based on a research sampling from advertising managers in U.S. and subsidiary executives in Finland and Sweden, Ali & Richard emphasized at their end of their study that “local concerns must be considered for successful international advertising campaigns” (p.87)

Ali & Richard' study has the limitation that it represents the view of marketing managers, not the consumer's. However, it is meaningful to disclose the opinion of subsidiary's management, the willingness to localization and the emphasis of culture difference.

Furthermore, cultural value difference is not the only obstacle that jeopardizes the efficiency and effectiveness of standardization. There are multiple factors that affect the value of standardization. Buzzell (1968) analyzed four categories that limit the standardization approach, which gave the limitations of standardization in most industries, and strongly supported the view of localization.

Rotfeld (2011) found that along with the globalization, many earlier studies on different history, culture and context have been ignored. However, as it is analyzed above, the differences in environmental factors, such as the ad regulation policies, are affecting advertisers’ decision making fundamentally.

Advertising standardization is also constrained by limited economic development. For example, several MNCs found that in Kazakhstan, the sprawling former Soviet republic wedged between Russia and China where the ad market is fast growing but the economic level is relatively low compare to developed nations, it is more popular to use a localized advertising rather than “simply adapting Russian- or Turkish-made ads” (Kelberg, 2005; Gerlsbeck, 2007)

In a content analysis of advertising, Ji and McNeal (2001) found that because of developing countries’ earlier economic development stage, compared to advanced economy, ads in those countries are focusing on basic product benefits, such as quality, effectiveness, health, economy or convenience and have low complexity and provided less information.

Multiple scholars concluded that regulatory processes, headed by governments, or self-regulation, which has become a de facto legal force for advertisers, are playing a significant role to ensure the advertising does meet the local culture as well as political needs. Sometimes it is tough to comply with those rules by implementing a standardized advertising (Zhao & Belk, 2008; Wolburg & Venger, 2009; Rotfeld, 2010; Zhao and Wang, 2011; Huang, et al, 2013). Regulation policies are different from industries to industries, nations to nations. Different cultural stories reflect different ideological or political standards and require a localized approach to meet those standards rather than a standardized one (Wolburg & Venger, 2009). For example, in the Ukraine, where drinking is popular, there is regulation on alcohol advertising. Alcohol advertising cannot include statements that “alcohol consumption is an important factor for achieving success in sports, sex, or social situations, nor can ads give the impression that consumption solves problems or has a stimulant or sedative effect” (p18). Furthermore, alcohol ads are not allowed on the streets, first and last pages of newspapers and magazines, nor on television from 6 A.M. to 11 P.M. (Wolburg & Venger, 2009). In Russia, because of the serious social problem of alcoholism, no advertising for most alcoholic drinks is permitted on television, radio, billboards, or internet (Krauthamer, 2012).

In southern parts of Tajikistan, which has remained under the rule of Emir of Bukhara, “Islam culture is deeply enrooted in the social life of this particular area of the state”, requires ad content to meet specific requirements (Saud, 2010).

The view of combination approach: the mix strategy using both standardization and localization at some extent benefits most from both of its advantages.

The global consumer culture (GCC) theory was defined by Akaka and Alden (2010) as “a collection of common signs and symbols, including brands that were understood by significant number of consumers in urban markets around the world” (p.37). GCC theory became one of the foundations of a global culture of consumption in which the boundary of culture and territory is shadowed by the interconnection of culture and markets (Hannerz, 1990).

Based on GCC, a series of brand positioning theories, such as global consumer culture positioning (GCCP), foreign consumer culture positioning (FCCP), and local consumer culture strategy (LCCP), was proposed by Alden et al. (1999). The GCCP emphasized the increasing global consumer segment as a whole, such as iPhone and iPod which targets the global markets by the same characteristics of products, while FCCP resonates with the foreign culture (Okazaki et al., 2010; Alden et al., 1999). For example, a certain kind of wine is sold globally as a taste of France. LCCP associates a brand personality with a specific local culture and focuses on products and services produced for and consumed by local people (Alden et al., 1999).

Akaka and Alden (2010) believe that the concepts of GCC and GCCP give indications to the debate of standardization vs. localization. They suggest a combination of standardization and local adaptation, by which “globally shared signs” and “subordinate-level symbols” can be both addressed.

According to Wei and Jiang’s (2005) standardization model, international advertising strategy can be divided by two scales, creative strategy and execution strategy, a
balance between those two standards would be the combination strategy, which is critical to juggle the balance in culture different markets.

At certain level, While Zou and Cacusuigil(2002) also supported the idea of combination strategy. Although they believe that standardization of promotional mix and product features enables firm to achieve additional efficiencies worldwide, they also agree that when it goes to advertising themes, appeals, or media selection, local customer preference and advertising regulations should also be addressed.

Even Buzzell (1968), who put great emphasis on the limitation of standardization, admitted that standardization should also be considered based on specific case and marketing’s “universal appeal”.

The combination strategy tries to avoid the inefficiency due to both standardization and localization, so that the efficacy can be maximized. However, balancing the extent of both those two approaches to an optimal level can be very challengeable in reality and the skyrocketing in additional advertising producing cost may undercut the efficiency achieved by adaptation.

Conceptual Framework

The conceptual framework for this study is shown below in Figure 2. The figure illustrates the relationship of advertising and a firm’s goal, in both strategic and financial goals. If advertising has a positive impact on consumer’s preference on it’s brand, there would be a positive effect on its strategic goal. If advertising were likely to enhance consumer’s willingness to buy a product (likelihood to buy), there would be a positive impact on its financial goal. By surveying if there is an impact on brand preference and likeness to purchase; the advertising can be evaluated by either effective or ineffective.

![Figure 2. The Framework of Study on Advertising standardization](image)

**METHODOLOGY**

This study explored the difference between the impact of a localized advertising and standardized advertising in terms of brand preference and likeness to purchase in China market. This chapter reviews information on methodology of the research, such as research design, sampling, instruments, data collection and analysis.

**Research Design**

Based on the literature review and the conceptual framework, this study uses a quantitative approach that tries to establish a relationship between the advertising, both localized advertising standardized advertising, and the impact on a firm’s goals, including strategic goal and financial goal. Then a compare between localized advertising and standardized advertising were conducted.

In order to measure the effectiveness of the advertisings from consumers’ perspective, an Internet survey that constitute a multi-item 7 point Likert scales was conducted in order to collect data that matches this study. Collected data was used to test the following hypothesis:

- H1: For Chinese consumers, there is no significant difference for the impacts on brand preference and purchase likelihood based on Localization and Standardization.
- H2: There is no difference between standardized and localized advertising impact on Chinese consumer smartphone brand perception.
- H3: There is no difference between standardized and localized advertising impact on Chinese consumer smartphone purchase decisions.
- H4: There is no difference between Chinese consumers’ perspective and U.S. consumers’
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Perspective on standardized and localized advertising impact on smartphone brand perception.

- H5: There is no difference between Chinese consumers’ perspective and U.S. consumers’ perspective on standardized and localized advertising impact on consumers’ purchase likelihood.

Those five hypothesis are trying to identify the significance in their difference of impact on a firm’s strategic goal and financial goal, so that a recommendation, either supporting localized advertising, or supporting standardized advertising, can be made to marketing managers in MNCs.

Two different print ad design of iPhone 5, are chosen to compare. The reason Apple’s product is chosen is because Apple is one of the most influential smartphone brand in the world. Apple has the highest brand loyalty and its product is more than just a consumer product, it is a brand brought to life for many of its customers, (Cesvet et al. 2009). The brand is relatively more attractive to survey respondents so that a more precise data is expected.

Population and Sample

The questionnaire has been sent to consumers in China and U.S. who have high probability to be exposed to smartphone advertising. The population of interest is consumers who has bought smartphone or has potential likelihood to buy smartphones in the future in Chinese big cities. The sample for this study is consumers who bought a smartphone in the last three years in China and United States, especially people who have some educational background.

Questionnaire Design

The survey instrument would be developed based on the literature review and the conceptual framework. An Internet survey will be conducted to target consumers in Beijing, and an cover letter on the survey will explain that the study is a scholarly research and that would be interpreted at an aggregate level (Okazaki, et al, 2006).

Most constructs of questionnaire are assessed on the ten-point Likert scale that shows how likely the respondents would agree the item listed for the study. All questions will specifically direct to consumers, who were asked to rating the scores based on their viewpoint of the advertising. The questionnaire will be drafted in English and translated into Chinese, which is more comfortable and easy to answer for local respondents.

Depending on the response rate and data collection result, the survey can be conducted by multiple waves to ensure to get enough data that needed for analyze.

Two ads of iPhone 5s were chosen and redesigned to meet the research requirements. One is the standardized ad, which is captured from Apple’s online ad and also used in China Medias. This ad is using globally and is showing the three colors of the new model: black, white and golden. “Forward thinking is the keyword of the ad and the colorful apps on the screen of the iPhones is to show their “most advanced technologies”, as well as the beautiful industrial design of the historical product (Apple Inc., 2014). The only change of the standardized ad when it goes to China market is the word translation.

The other ad is the localized version, which retained most of the elements of the international version but added one of typical Chinese cultural characteristic, an actress of Beijing opera, who is looking at the new iPhone models. The localized ad is a combination of traditional Chinese culture and modern technology, which is designed to meet Chinese consumers’ aesthetics and expected to attract consumer to buy as well as improve the brand preference.

Among these 10 questions, except the last two (Q9 and Q10) are asking respondents’ age and gender, the content distribution of other 8 questions are as table 1 shows, then Chi-square tests, t-tests, and consumer behavioral pattern analysis will be calculated after the survey data is collected.

Table 1. Question distribution

<table>
<thead>
<tr>
<th></th>
<th>Brand Preference</th>
<th>Purchase likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Localized ad</td>
<td>2(Q4, Q7)</td>
<td>2(Q5,Q8)</td>
</tr>
<tr>
<td>Standardized ad</td>
<td>2(Q2,Q6)</td>
<td>2(Q1,Q3)</td>
</tr>
</tbody>
</table>

Respondents

The survey was conducted through www.surveymonkey.com using a select plan from April 14, 2014 (U.S. Survey) and May 13, 2014 (China Survey) to August 2, 2014. Data from 133 Chinese respondents and 86 U.S. respondents were received whose demographic distribution is as below:

Table 2. Respondents’ Age and Gender
Discussions and Results

A Chi-square test was conducted based on the data obtained from the survey.

The observed value and expected value derived from Chinese consumer respondents are as below:

Table 3. Chinese Respondents’ data

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>U.S. Respondents</th>
<th>China Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Response Percent</td>
<td>Response Count</td>
</tr>
<tr>
<td>Under 20 years old</td>
<td>4.7%</td>
<td>5</td>
</tr>
<tr>
<td>21-30 years old</td>
<td>42.4%</td>
<td>36</td>
</tr>
<tr>
<td>31-40 years old</td>
<td>37.6%</td>
<td>32</td>
</tr>
<tr>
<td>41 years or older</td>
<td>15.3%</td>
<td>13</td>
</tr>
</tbody>
</table>

Table 4 Observed Values and Expected Values (Chinese respondents)

<table>
<thead>
<tr>
<th>Observed Values</th>
<th>Brand Preference (Observed)</th>
<th>Purchase likelihood (Observed)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Localized ad</td>
<td>713</td>
<td>770</td>
<td>1483</td>
</tr>
<tr>
<td>Standardized ad</td>
<td>1430</td>
<td>1397</td>
<td>2827</td>
</tr>
<tr>
<td>Total</td>
<td>2143</td>
<td>2167</td>
<td>4310</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Values</th>
<th>Brand Preference (Expected)</th>
<th>Purchase likelihood (Expected)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Localized ad</td>
<td>737</td>
<td>746</td>
<td>1483</td>
</tr>
<tr>
<td>Standardized ad</td>
<td>1,406</td>
<td>1,421</td>
<td>2,827</td>
</tr>
<tr>
<td>Total</td>
<td>2,143</td>
<td>2,167</td>
<td>4,310</td>
</tr>
</tbody>
</table>

- H1: For Chinese consumers, there is no significant difference for the impacts on brand preference and purchase likelihood based on Localization and Standardization.
A Chi-square test was conducted based on the observed value and expected value provided above, the P-value calculated by the Chi-square test was 0.12. As the significance level of this research was 0.05, the hypothesis 1 was retained. In other words, for Chinese consumers, there is no significant difference for the impacts on brand preference and purchase likelihood based on Localization and Standardization.

- H2: There is no difference between standardized and localized advertising impact on Chinese consumer smartphone brand perception.

A t-test between the surveyed scores on related questions was conducted and the P-value of the t-test was 0.00, so the hypothesis 2 was rejected. From the total observed scores that listed on table 4, we can see that Chinese consumers more like standardized ad than localized ad in terms of brand preference, which is consistent with the t-test result.

- H3: There is no difference between standardized and localized advertising impact on Chinese consumer smartphone purchase decisions.

A t-test between the surveyed scores on related questions was conducted and the P-value of the t-test was 0.00, so the hypothesis 3 was rejected and the impact on Chinese consumers' purchase decision of localized as and standardized ad were highly different at significance level of 0.05. From the total observed scores that listed on table 4, we can see that Chinese consumers more like standardized ad than localized ad in terms of purchase likelihood, which is consistent with the t-test result.

- H4: There is no difference between Chinese consumers’ perspective and U.S. consumers’ perspective on standardized and localized advertising impact on smartphone brand perception.

86 Chinese respondents samples were randomly selected in order to make the data match the U.S. respondents and comparable. A chi-square test was conducted to test the significance, which show they were significantly different between U.S. respondents and Chinese respondents at significance level of 0.05 (p-value=0.00).

The observed value and expected value is listed as below:

| Table 5. U.S. Respondents V.S. Chinese Respondents on Brand Preference based on Localization and Standardization |
|--------------------------------------------------|--------------------------------------------------|----------|
| **Brand Preference Observed Values**             | **U.S. Consumer**                                | **China Consumer** |
| Localized ad                                     | 907                                              | 473       |
| Standardized ad                                  | 501                                              | 878       |
| Total                                            | 1408                                             | 1351      |
| **Brand Preference Expected Values**             | **U.S. Consumer**                                | **China Consumer** |
| Localized ad                                     | 704                                              | 676       |
| Standardized ad                                  | 704                                              | 675       |
| Total                                            | 1408                                             | 1351      |

- H5: There is no difference between Chinese consumers’ perspective and U.S. consumers’ perspective on standardized and localized advertising impact on consumers’ purchase likelihood.

86 Chinese respondents samples were randomly selected in order to make the data match the U.S. respondents and comparable. A chi-square test was conducted to test the significance, which show they were significantly different between U.S. respondents and Chinese respondents at significance level of 0.05 (p-value=0.00). The observed value and expected value is listed as below:

| Table 6. U.S. Respondents V.S. Chinese Respondents on Brand Preference based on Purchase Likelihood |
|--------------------------------------------------|--------------------------------------------------|----------|
| **Purchase Likelihood Observed Values**          | **U.S. Consumer**                                | **China Consumer** |
| Localized ad                                     | 861                                              | 488       |
| Standardized ad                                  | 500                                              | 854       |
| Total                                            | 1361                                             | 1342      |
| **Purchase Likelihood Expected Values**          | **U.S. Consumer**                                | **China Consumer** |
| Localized ad                                     | 679                                              | 670       |
| Standardized ad                                  | 682                                              | 672       |
| Total                                            | 1361                                             | 1342      |

Based on the data of attitude of respondents for standardized ad and localized ad, a comparative
analysis between U.S. and Chinese respondents was conducted trying to find certain patterns of consumer behavior. It was an interesting fact finding that U.S. respondents have an opposite pattern with Chinese respondents, which reaffirmed the complexity of consumers’ attitude toward standardization. As Figure 3 shows, the attitude on standardized ad and localized ad, U.S. respondents have an opposite attitude with Chinese respondents. While more U.S. respondents prefer localized ad, Chinese respondents give higher score on standardized ad. Which illustrates the marketing implication that standardized ad is recommended in China rather than localized one.

**Consumer Behavioral Pattern Analysis**

![Score observed for standardized ad](chart1)

![Score observed for localized ad](chart2)

**Figure 3. Consumer Behavioral Patterns on U.S. and China Respondents**

**LIMITATIONS AND FUTURE RESEARCH**

This result for Chinese consumers is consistent with the positive view of standardization, supported by Zou and Cacusgil (2002) and multiple researches. As the survey was conducted based on a scenario that the ad is implemented in China, there are reasonable implications for Chinese marketers. However, the potential respondents’ barriers for U.S. respondents may result in limited practical implication for U.S. market. At the same time, although certain consumer attitude patterns are analyzed based on survey data, the reasons for those patterns are not clear, further research is suggested related to this area.

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