1 Globalization Issues: The Myth of Prepackaged Solutions

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1.1 INTRODUCTION

Probably no recent contribution to the business literature has sparked more controversy than Levitt's (1983) paper on 'the globalization of markets.' On the one hand, Levitt argues that the world is shrinking as a marketplace and challenges companies to compete by realizing economies of scale through offering standardized goods and services that will be acceptable on a worldwide basis. On the other hand, many marketing authors scoff at Levitt's globalization challenge, calling the idea a myth and a dangerous policy (Douglas and Wind, 1987; Kotler, 1986; Sheth, 1986, for example). How, these critics ask, can a firm expect a domestic brand to appeal to a world made up of so many different nations, each distinguishable, among other things, in culture, political system and language? Surely, these authors maintain, a firm must 'localize' its offerings for individual countries to take national differences into account.

Which of these two positions, globalization or localization, is correct? Should the world be viewed as one big market for universal ('standardized') offerings as Levitt proposes, or must different versions of each product category be developed specifically for each country, as Levitt's critics maintain? Or, as other writers (for example, Kale and Sudharshan, 1987; Onkvisit and Shaw, 1994) argue, should we resort to a third, compromise approach, sometimes referred to as 'think (Wind, 1986; p. 26), or plan (Kotler, 1986; p. 15) globally, act locally,' to solve the dilemma? Or is the issue of going global better cast in yet different terms?

The purpose of this chapter is to use a general framework for marketing analysis to examine Levitt's notion of global standardization, and the alternatives suggested by other authors, in order to clarify the issues and render the discussion more useful. Essentially, whether to offer brands in foreign countries and how the brands should be constituted turns out to be a part of the normal process of management's defining the arena in which it chooses to compete for business (market definition); and investigating the naturally-occurring qualitative variation in demand within the market-as-defined, to choose attributes systematically for its offerings (market segmentation analysis for brand positioning). Prepackaged guidelines such as 'standardize,' 'localize' (meaning, 'adapt for national characteristics'), and 'think globally, act locally' can be seen to be inadequate for the task of systematically generating and evaluating candidate brand formulations. Moreover, attempts to state 'middle ground' positions (for example, Kale and Sudharshan, 1987; Onkvisit and Shaw, 1994) are unsuccessful for three interrelated reasons: (1) they lack a conceptualization that would bring international marketing within the framework of a general theory of marketing; (2) they fail to address explicitly the behavioural source of valued brand attributes, which requires characterizing both behaviour and brands in a way that is relevant to making and offering a good or service for sale; and (3) they do not recognize that significant marketing decisions, national or international, must be informed by the current state of relevant marketing variables. Especially significant among the latter are demand-creating conditions and the state of want-satisfaction, topics on which such slogans as 'think globally, act locally' offer no guidance.

1.2 THE MAIN DEBATING POSITIONS

Let us now examine what each of the main debating positions means, when considered in light of such a general framework for marketing decisions. What does 'globalization' mean? At its most basic, Levitt's recommendation to think globally means just this:

- In choosing the arena in which it will compete for business, Levitt counsels the firm not to be limited by its own national borders but to consider initially defining the relevant geographic space globally rather than domestically. More generally, producers and the marketers who guide them always face some naturally-occurring population of individuals, whether global, national or local, who engage in a variety of activities, of which only a very few are of interest for any one productive venture. Identifying one's prospects, that is, stating the grounds on which a producer qualifies individuals as interested in a given product category, is the initial step in defining one's market. From then on, defining one's market proceeds by excluding, for any of a wide variety of reasons, prospects who appear to be too costly or difficult to try to convert to customers.
- Within its global market-as-defined, Levitt counsels the firm to respond to the same kind of demand (for example, for shampoo, dislike of dandruff) within and beyond its national borders. For example, if a brand of shampoo has been formulated to respond to dislike of dandruff, the firm should offer dandruff-responsive attributes wherever dislike of dandruff is found, whether within or beyond national borders.

Responding to the same kind of demand globally, entails investigating for which kinds of demand (dandruff; oily, thin, coarse, wiry, unmanageable hair; various self or other orientations regarding hair care; various dislikes regarding hair products, to name a few), if any, similar conditions of demand and of want-satisfaction exist to a degree that warrants investing in a brand that is positioned accordingly, that is, is responsive to such conditions. More generally, once management has identified its market-as-defined (global or national), it must then perform a second task: deciding which kind of demand it plans to serve within that arena. A prerequisite to performing this second task is being able to conceptualize and investigate demand independently of reactions to existing or candidate goods or services. Implementing such a behavioural perspective is facilitated by the concept of demand-creating conditions, along with descriptions of seven classes of such conditions (Fennell, 1978; 1988a; 1991a). At issue here are various kinds of condition (as in those just noted regarding washing one's hair) that allocate individuals' resources to pursuing their tasks or interests, possibly using brands to help them do so. The attributes of such conditions point to the kinds of attribute that desirable brands should possess (for example, corresponding to "dislike of dandruff," the attribute of dandruff-controlling or dandruff-eliminating).

What does 'global standardization' mean? As noted, Levitt counsels responding to the same kind of demand throughout the market-as-defined, so that the firm offers the same attributes wherever — within or beyond national borders — the kind of demand for which the brand is tailored is found. In sum, the option to which Levitt draws attention, namely, to seek economies of scale through global standardization, arises at each of two points as a firm makes the series of strategic choices that defining its market and positioning its brand involve. Even within the confines of the firm's national borders, identifying the kind of demand that a firm can satisfy profitably (that is, while obtaining an acceptable return on its investment) involves the two systematically distinct, multifaceted, tasks outlined above: (1) defining the firm's market and (2) conducting market segmentation analysis to guide the positioning decision. In the first, the firm chooses the kind of activity-individuals[1], time period and geographic reach that define the scope of its interest for a given venture. Here, Levitt's recommendation acts as a special reminder not to overlook prospects who reside beyond the firm's national borders. In the second task, management identifies within its market — as defined in task one — the kind of business that it plans to compete for; that is, the conditions in the user's world that guide its choice of features for its offering. If, for example, the firm already has a successful domestic brand, Levitt's recommendation prompts it to consider whether conditions of demand and of want-satisfaction beyond its national borders are such as to warrant investing its resources to support its brand as a market entry abroad. If the firm is considering entering a product category for the first time, Levitt's recommendation prompts it — within its market as globally defined — to search for similar conditions of demand and of want-satisfaction that offer grounds to expect a satisfactory return from investing its resources in a brand tailored for some aspect of such conditions.

1.3 CRITICS OF GLOBALIZATION

Turning now to the reactions of other authors, we may note that critics seem to have taken 'global standardization' to mean offering a brand that is intended to be acceptable to every product-category user worldwide. Moreover, in recommending instead that brands be tailored to reflect national characteristics, critics of Levitt's globalization argument overlook the questionable assumptions of such a position, including the implication that demand within a country is homogeneous, and that the attributes that users value in a brand may be specified (on the basis of national stereotypes?) by knowing country of residence. Implying that product category demand within countries is homogeneous flies in the face of the evidence of product category heterogeneity within the United States, unless we are to believe that the United States is unique in that respect and that demand in other countries is homogeneous within product category. It leaves unexamined the notion that there could be a German, or Italian, or Swiss washing machine, soft drink, bath soap, toothpaste or any other product category that satisfies German, Italian and Swiss residents,

[1] 'Activity-individuals' is used for brevity here to refer to the decisions that management makes in defining its market regarding activity and individuals, as explained in greater detail later.

respectively. Such a view is no more tenable than assuming that the US domestic market is homogeneous and that the attributes that, for example, launderers who reside in the United States value in a laundry detergent are a function of their being US residents, and may be discernible from knowing only the country in which they reside. Rather, the conditions that allocate behavioural resources to the tasks and interests that individuals pursue (and whose attributes dictate the attributes of desirable goods or services) reflect the relevant personal and environmental contexts. It should be obvious that the features of such (within-activity) contexts are not well reflected in classificatory schemes at the level of generality of country of residence or other demographic categories. Moreover, such contextual conditions (as regards laundering, for example, nature of laundry load or soil, beliefs about the appropriate appearance of laundered items, water hardness/softness/quantity available/pollutants, psychological or social meaning of laundering) may cut across national borders and other demographic categories, which, for this and other reasons, do not constitute a helpful basis for deciding the form a firm's offerings should take.

Neither the 'standardization' approach, as characterized by Levitt's critics, nor the critics' 'formulate for national diversity' argument adequately characterizes the decision process that firms face when they consider taking their brands beyond their national borders. 'Standardization' viewed alone, without a framework of market definition followed by investigating the qualitative variation in demand in the market-as-defined, leaves unspecified how the attributes of a 'standardized' offering relate to the attributes of demand-creating conditions as found domestically or abroad. 'Localization', used to refer to tailoring for 'national characteristics', misstates the origin of perceived value in brand attributes and does so in a way that mistakenly implies homogeneity within country in the attributes that users value in a good or service. Thus, the debate characterized as 'standardization versus localization' fails to address issues that are relevant to thinking of one's market as worldwide, and deciding what attributes to offer in such a global market.

A further issue is that most of the discussion on globalization has been cast as the question: Can a firm offer its domestic brand abroad as is, or must the domestic brand be modified to reflect cultural diversity? Essentially the two problems already noted are present again in such a question: (1) how were the attributes of the current domestic brand chosen — for example, in the laundry detergent category, is it a Tide (for 'ground-in' dirt) or an Ivory Flakes ('doesn't harm delicate laundry')?; in shampoos, is it a Head and Shoulders ('for dandruff') or a No More Tears ('doesn't sting')?; and (2) is it reasonable to suggest that valued brand attributes vary as a function of national identity? (If so, how is it that US consumers don't buy just Tide (laundry detergent) and Head and Shoulders (shampoo) on the one hand or just Ivory Flakes (laundry detergent) and No More Tears (shampoo) on the other?

1.4 COMPROMISE POSITIONS

What about the 'compromise' position, that is, the ubiquitous catchphrase, 'think/plan globally, act locally'? It is not clear what such a slogan adds, given that the firm must always 'act locally.' That is, someone must always make contact with local merchants, prospects and customers, and in doing so, commit the firm to some statement about the offering. The firm's problem is, of course, how to go about choosing the attributes of its offering, which form the basis for any claim that it may make — a topic on which the catchphrase is silent. The phrase sidetracks the essential issue — where does a firm find systematic guidance in choosing the attributes of its offering?

Onkvisit and Shaw (1994) explain that 'thinking globally' means developing a product 'for worldwide customers at the very outset.' Just how nonspecific such advice actually is in practice will be apparent later, but two examples may be helpful here. Is a firm being advised to: (1) scrap a successful domestic brand and start afresh; or (2) ignore a changing mix of competitors from country to country — that is, design the brand for conditions of demand that are similar cross-nationally (in the case of shampoo, for example, people who 'dislike dandruff'), even though in various places in a worldwide market some such people may be highly satisfied by and staunchly loyal to a competitor with a great formulation. Kale and Sudharshan (1987) are to be commended for pointing to the localizationist error of assuming homogeneity within country with regard to a focal activity. However they may fail to grasp the source of such an error because, among other problems, their own equating of market segments and demographic categories implies the same unwarranted assumption of homogeneity with regard to an activity within cross-contextually-defined categories.

1.5 GLOBALIZATION: ADJUSTING PRESUPPOSITIONS OF PRODUCT POLICY

Accordingly, in considering 'globalization' as a business policy, it is helpful to keep in mind how the issue was cast. For example, Levitt's point obviously was to change existing ideas about producing for overseas markets by arguing that the same version of a product — that is, the same brand — can find acceptance among users across national borders. One suspects that his purpose was to tilt the balance of presupposition from a presumption that countries are significantly different from each other in ways that affect brand attributes, to a presumption of cross-national similarity as a possibility. However, critics pointed to problems in other aspects of the marketing mix — such as promotion and distribution — ignoring the issue of how attributes of a 'globally standardized' brand

should be chosen. Moreover, they failed to ask the appropriate questions regarding the globalization argument: (1) what are the conditions that lead people to spend resources acquiring a good or service, and (2) are (at least some of) these conditions sufficiently similar so that the same brand can provide satisfaction to users across national borders?

1.6 A MARKETING FRAMEWORK FOR EXPLORING 'GOING GLOBAL'

The framework of marketing decision-making used in this paper was developed by Fennell (1982a, 1982b, 1985a, 1985b, 1988a, 1990, 1991a) to articulate both the behavioural and managerial implications of the marketing concept as originally framed (see Fennell, 1991b, for examples of early statements of the marketing concept in the literature). Starting from the marketing concept as advice to producers to make and offer what users want, it follows that marketing's role includes describing the user's world in a way that helps producers to proactively design offerings that are appropriate to the current state of want-satisfaction in their product category. This means that demand-creating conditions in the user's world must be stated in a manner that is appropriate to the behavioural scope of individual offerings. Producers, in fact, invest resources in developing a brand in the expectation that it will be used repeatedly, by the same individuals over time and by various individuals at different locations in space. If a brand is to give satisfaction on individual occasions of use, its features must be well-chosen for the conditions that prompt its use. For guidance in choosing brand features, producers require a conceptualization of the user's world that permits identifying conditions, across time and space, that are similar enough to be accommodated within a single physical and psychological offering.

The attributes of such sufficiently similar conditions are the behavioural givens that marketing researchers make available, along with other information, as input to the brand positioning decision. Moreover, since Fennell's model provides for designing brands systematically to be responsive to similarities in demand-creating conditions over space and time, it envisages a firm deciding on — explicitly or implicitly — the geographic scope of any venture. It views the essential marketing task as unchanged in principle, whether the scope of a venture is domestic or global (although the complexity of the task is greater as the market embraces countries other than one's own). In fact, any general theory of marketing and its accompanying analytic framework must be relevant universally, whether for new or existing brands, domestic or global markets, whether demand is tangible or intangible, latent or manifest. Accordingly, designed to accommodate any of the conditions within which marketing decisions may arise, Fennell's model provides a framework for examining and clarifying issues relevant to globalization.

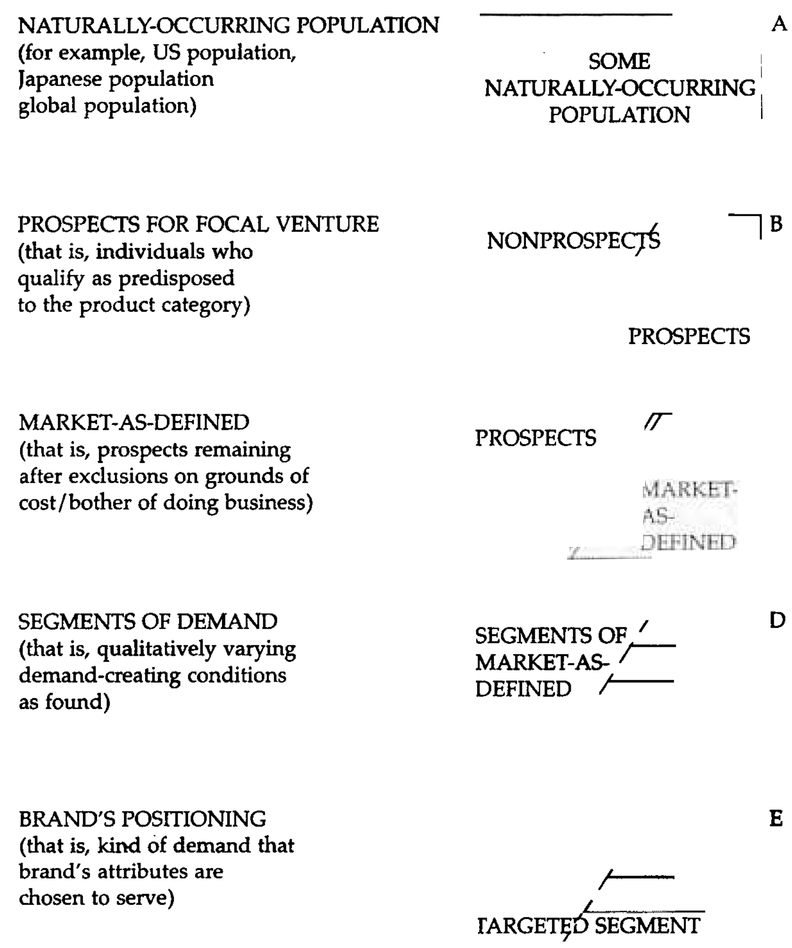
1.7 FROM NATURALLY-OCCURRING POPULATION TO TARGETED SEGMENT

As a brief overview of selected aspects of the model that are relevant to the issue of globalization, consider the diagram in Figure 1.1 (taken from Fennell, 1985b, 1991b); it illustrates the producer's analytic path from an undifferentiated naturally-occurring population to the conditions of demand for which she or he will produce. Representing any naturally-occurring population, panel A asks a producer to make explicit the outer limits of the scope of a given venture, which producers choose according to their resources and interests. Levitt urges management to set its sights on the population of the globe.

Panel B reflects the fact that producers must consider not only a universe of individuals — whether local, national, or global — but also a universe of activity, realizing that for any venture only a tiny portion of human actions and experience is of interest, namely, the portion that corresponds to the product category that is in focus for a given venture. Since the scope of any one good or service is finite, whether in designing new or modifying existing offerings, producers or marketers must decide how to qualify individuals to select for study. Thus, they identify a behavioural domain that corresponds to the focal product category. Individuals who engage in activities in the focal behavioural domain are qualified to provide information that is relevant to developing marketing strategy, including designing a competitive offering. Such individuals constitute a firm's 'prospects,' that is, the widest reach of its interest for a particular project. For example, a firm that produces bath soap is interested in talking with individuals who bathe (themselves or others) and who have the resources to acquire a bathing aid.

Once the qualification for a given venture has been agreed upon, from the original naturally-occurring population, whether global, national, or local (panel A), individuals who do not engage in the focal activity are immediately excluded as nonprospects. This important concept is one that has been difficult for academic theorists to concede; why, they ask, should we leave anyone out of our pool of potential customers? The answer is that, even if it were possible to convert eventually some folk who do not currently qualify as prospects, it is not clear how one can set about trying to do so, given mass media, competitive conditions and noncaptive audiences. Expending resources for such a purpose would be extremely hard to justify in terms of return on investment. The firm's resources are better allocated to competing for business among individuals who are already predisposed to spend their money on offerings in the focal product category. Thus, a tennis racket firm typically chooses to address those persons who play tennis, or who are at least predisposed to playing tennis, rather than try to convert non-tennis players into players; and flea-collar producers typically address only those persons who own or are predisposed

Figure 1.1 From naturally-occurring population to targeted segment



Source: Adapted from Fennell (1991b)

to own pets. The point of the model here is that producers make a first cut through a naturally-occurring population to specify the individuals who qualify as prospects and are thus eligible to be included in research investigations for strategic development.[2]

Panel C shows the market-as-defined, after some who qualify as prospects have been excluded, reflecting strategic choices in other aspects of market definition, which are discussed later. In panel D, the model recognizes that any market a firm defines for its own will be heterogeneous with respect to the kind of conditions within a focal activity which customers are trying to adjust. Elsewhere, Fennell (1980, 1989, in press) discusses a system for characterizing qualitative variation in such demand-creating conditions. Briefly, her system specifies five simple and two complex classes of motivating condition (listed in Figure 1.2) that prompt individuals to pursue their tasks/interests. Fennell's classificatory system is stated at a level of abstraction that encompasses all contemporaneous sources of possible influence (enduring and transitory, personal and environmental variables) and all user activities and product categories, while being concrete enough to guide identifying a range of demand-creating conditions likely to be present on occasions for 'real world' action throughout a specified region of space and time.[3]

The appropriate unit of analysis is 'occasions' (of a focal activity) rather than individuals because, among other reasons, conditions may vary within individuals across occasions of a focal activity. Moreover, to estimate the relative frequency of various kinds of demand-creating condition, it is appropriate to consider a universe comprising individuals times occasions for the focal activity in some appropriate period of time, often a calendar year. Accordingly, 'prospects' in panel B represents occasions for engaging in the focal activity in some geographic region and period of time; for example, occasions on which bathers (as defined) consider bathing, worldwide, in calendar year 1995 (Fennell, 1991a; 1994). For simplicity here the discussion continues using 'individuals' rather than occasions.

As discussed elsewhere (Fennell, 1991b), what is at issue here is a process that is the opposite of scientific abstraction. It is an example of the Janus-like nature of marketing science, with one face turned toward the abstracting methods of the scientist and the other toward the particularistic demands of real-world situations. In the eyes of a user, a brand succeeds or fails on single instances of use. To make a successful brand, producers must be conversant with the (significant) particulars of single instances. In the absence of a model of diverse kinds of single instance, producers must rely on purely empirical approaches to searching for the particulars that they need, which gives rise to problems. A scientist is often content to have developed a model that imposes order on apparently disparate real-world events — in the present instance, a model of diverse kinds of demand-creating condition. On the other hand, a producer, while benefiting from the understanding that is embodied in the model's generality, wants more. Producers need to be guided to *particular*, significant features of the real-world that specify the kinds of attribute that make a brand desirable. That means that in order to use a model of diverse kinds of demand-creating condition, a producer must be able to unpack its general classes into particulars appropriate to focal domains of activity and technology. For example, class 1, *current problem — escape*, is further described as an unpleasant state of affairs, unavoidable in the short run, that, to

(continued on page)

Finally, in panel E, management chooses to serve some particular conditions of demand, which then guide its selection of brand attributes. This act, positioning, constitutes the essential marketing contribution to the firm and can be characterized as 'the joint selection of target segments of demand and of the corresponding brand attributes, both tangible and intangible' (Fennell, 1982a).

Here again, the model provides a conceptual foundation for Levitt's discussion of globalization. When the definition of a firm's market specifies prospects as individuals who engage in a domain of activity relevant to the kind of offering that management has in focus, and when the source of valued attributes is seen as demand-creating conditions that individuals experience in that activity domain, it is easier to conceive of formulating a 'global' brand since (some) conditions within activity may often be common across nations. The producer's task is then understood not as formulating a brand to suit "national characteristics" of the localizationists (particularly since these are more general than conditions within activity domains)[4], but rather as ascertaining the following: (1) as regards an existing brand, the extent to which a given set of conditions for the activity of interest recurs within the (now global) arena that the firm has defined as its market, and (2) if a new brand is being considered, what conditions, if any, exist cross-nationally within the market as defined globally, for which a successful brand may be formulated.

The conceptual route to understanding the success or failure of a brand cross-nationally is clear. Success could be grounded in the fact that, with regard to some aspect of demand, similar conditions exist in different parts of the globe for whose attributes the successful brand's attributes are well chosen relative to the competition.[5] Failure could arise because, for example in the case of an existing brand, the conditions of demand for which its attributes are well-chosen domestically do not exist abroad, or do exist but are well served by an entrenched competitive offering. If the

improve his or her state of being, an individual must remove (see Figure 1.2). Seeking to be guided to significant features of the context for an everyday task or interest (for example, washing one's hair), a marketing analyst who uses the model is prompted to consider the kinds of disliked hair-related condition that occur, without one's bidding, that people are ready to spend resources to remove, such as examples given earlier. (See also footnote, p. 15).

4 National characteristics are likely to take the form of (relatively) enduring personal variables. As such, they are but one of four categories of relevant variables — enduring personal (e.g. cognitive style); transitory personal (e.g. mood); enduring environmental (e.g. hilly terrain); transitory environmental (e.g. wet road after shower) — that, as noted, may be present when intersecting personal and environmental systems bring a substantive domain into focus for possible adjusting.

5 As noted, in this paper we are concerned, following Levitt, mainly with product policy. Appropriate conditions in other strategic domains are also necessary for success. Targets would have to, for example, hear about the brand and recognize its claims as relevant to them, find the price reasonable and find the brand on the shelves where they shop.

Figure 1.2 Seven classes of activating conditions (with examples from the activity domain of brushing one's teeth)

The individual's resources are allocated to:
SIMPLE

1. ESCAPE (PROBLEM SOLVING). Removing some state of affairs that s/he perceives as present and unpleasant. Example: 'I want to get rid of yellow stains on my teeth.'

2. PROBLEM PREVENTION. Preventing imagined future unpleasantness arising from evaluation by others or the self. The class comprises instances where the individual is trying to prevent censure or missed opportunity for approval either by significant others (for example, esteem of others) or by him/herself (for example, self-esteem). Example: 'If I don't keep my teeth in good condition, my associates will disapprove.'

   ROUTINE MAINTENANCE. Unthinkingly performing a recurring task. Example: 'I brush after each meal.'

4. EXPLORATORY INTEREST. Seeking intellectual or cognitive satisfaction as an opportunity for fun, novelty, or the acquisition of information and expertise. Example: 'I'm interested in all there is to know about cleaning teeth.'

5. SENSORY SATISFACTION. Seeking sensory gratification such as taste, smell, or texture. Example: 'I want to enjoy teeth that gleam like pearls.

COMPLEX
Additionally (that is, while resources are allocated in one or more ways, as above), a countervailing element is also present:

6. CONFLICT. Some aspect of the contemplated action has negative consequences. Example: 'I want a toothpaste that prevents cavities (that is, that deals with the conditions that lead to tooth decay, (Class 1; escape) but doesn't hurt my teeth (Class 6; conflict).'

7. FRUSTRATION. No appropriate action appears to be available. Example: 'I want (but can't find) a toothpaste whose odour-disguising feature (Class 1; escape) lasts all day long (Class 7; frustration).'

Source: Adapted from Fennell (1978), Saegert *et al*, (1993)

firm defines its market broadly in the first place — that is, if it has the resources and interest to consider prospects beyond its national borders — then it will automatically study demand-creating conditions throughout its market-as-defined. Thus, sources of qualitative variation in demand throughout the firm's defined market will be explored as background to proactive business strategy, and management will note also the extent to which the state of want-satisfaction varies from country to country, with variation in competition.

1.8 TEN STEPS OF MARKET DEFINITION-MARKET SEGMENTATION ANALYSIS

An analytic framework corresponding to Fennell's model is presented in Figure 1.3. To define its prospects, the firm specifies first a domain of production that it is interested in developing — that is, that it has the capability and interest to pursue; and second a corresponding domain of experience or activity to which individuals are already allocating resources, such as time, thought, effort, money. At issue here is selecting, from the universe of human behaviour, the domain that is in focus for a given venture and hence the individuals (those currently exhibiting relevant behaviour) whom the firm considers prospects. Third, management then assesses how locatable such prospects are in light of opportunities for obtaining information from them in order to develop marketing strategy, communicating information to them about brand availability and characteristics once brands are formulated, and trading with them. If, for example, prospective customers live in areas inaccessible to research, or do not have access to communications media, or live in countries that impose insurmountable trade barriers, then they are excluded from the firm's market-as-defined. Fourth, management makes explicit the naturally-occurring population and population segments of interest for a focal project, (within which it will select prospects to study for brand development). As noted, Levitt urges thinking globally rather than domestically. In specifying the outer limits of its domain for a given venture, the firm must realistically assess the extent of its resources and interest.

Finally, a further aspect of market definition deals with the firm's competition. This means that, in step five, management specifies all alternatives that prospective customers may avail themselves of, including offerings of competing firms as well as non-marketplace options such as making do with what's available for other purposes, getting help from friends or relatives, or simply doing without. Moreover, producers may be unwilling to take on certain kinds of competition, whether from particular firms or technologies, and may exclude from their market-as-defined prospects who are believed to be loyal to such competitive offerings. In

Figure 1.3 Market definition and segmentation: major task components

MARKET DEFINITION

1. IDENTIFY DOMAIN OF OWN (that is, producer's) EXPERTISE

2. SELECT A (CORRESPONDING) DOMAIN OF CONSUMER EXPERIENCE/ACTIVITY (that is, the FOCAL BEHAVIOURAL DOMAIN)

3. EVALUATE LOCATABILITY OF INDIVIDUALS WHO PERFORM FOCAL ACTIVITIES (for example, consider their media exposure and retail outlet patronage in light of own resources) FOR PURPOSES OF:
   (a) OBTAINING INFORMATION FROM THEM — relevant to developing marketing strategy (via marketing research)
   (b) SENDING INFORMATION TO THEM — about brand availability and attributes (via marketing communications)
   (c) EXCHANGING WITH THEM — good/service for money

4. DEFINE OUTER LIMITS OF CURRENT PROSPECT GROUP (for example, select a population segment as analytic frame)

5. SPECIFY COMPETITIVE MARKETERS/TECHNOLOGIES (ACTUAL AND PERCEIVED) IMPLICATED BY OPTIONS AVAILABLE IN TASKS 1–4.

MARKET SEGMENTATION ANALYSIS

Within MARKET-AS-DEFINED (that is, from set of options in tasks 1–4):

6. DESCRIBE ELEMENTS OF HETEROGENEOUS DEMAND (for example, custom information about activating conditions, desired states, desired brand attributes for focal behavioural occasions).

7. FORM AND QUANTIFY DEMAND SEGMENTS.

8. WITHIN SEGMENTS AS DEFINED, ASSESS:
   (a) STATE OF WANT-SATISFACTION,
   (b) POTENTIAL FOR BRAND INROADS (for example, custom data on: Form preference; Brand consideration status, general and specific; Brand awareness, experience, beliefs, knowledge, perceived positionings),
   (c) RELATIVE WORTH.

9. REPEAT TASKS 6–8 FOR ALTERNATIVE MARKET DEFINITIONS/ SEGMENTATIONS.

10. SELECT BRAND POSITIONING; that is, target segment(s) of demand (one, some, or all conditions activating prospects to perform focal activity as defined) and corresponding brand attributes, tangible and intangible.

Source: Adapted from Fennell (1982a)

sum, as regards any of the dimensions of market definition, a firm may have its own reasons, usually reflecting cost and/or bother, including legal, ethical and public relations concerns, for excluding some individuals who qualify as prospects.

Once the firm has defined its market, it will investigate and describe the heterogeneous conditions that may prompt prospective customers to engage in the focal activity, leading possibly to considering choosing an offering in the focal product category; thus, the firm's next task is to describe the qualitative variation in demand among its prospects to look for conditions both across and within individuals that offer opportunities to satisfy unmet wants. Again, a number of distinct phases of this process are specified. First, to provide direction for the corresponding attributes of responsive brands, the market-as-defined must be investigated to identify the attributes of concrete instances of demand-creating conditions (step six). Typically this is done in marketing-sophisticated firms through the use of qualitative research such as focus groups or depth interviews, but it may also be achieved in a more limited way through the use of expert opinion, the firm's past experience with customers, and/or introspection. It should be emphasized, however, that systematically exploring demand-creating conditions *upstream* from existing marketplace offerings (guided by Fennell's seven motivational classes) is essential both to try to avoid overlooking unmet wants and to provide producers with information that is useful for brand development. In Fennell's model, the upstream motivational conditions that give rise to demand refer to behavioural events that pre-exist reactions to existing goods or services. Other approaches, for example, Haley's (1968) benefit segmentation and attitudinal approaches, are based on respondent reactions to existing or candidate brand offerings and thus — as they fail to provide independent access to customer conditions that exist outside the marketplace — do not systematically explore opportunities for the firm to satisfy unmet demand.[6] As noted, when a producer considers a global market, it is important that

[6] Many decades ago, learning from experience that it is unproductive to ask prospects to state the attributes that they want to find in a good or service — essentially to design key features of an offering, practitioners turned to exploratory qualitative research. In individual or group interviews, prospects are asked to discuss the context for engaging in a focal activity. Experience shows that even this approach is not without its difficulties (Fennell, 1991b), among them the necessity to encourage respondents to provide details of demand-creating conditions as they experience them, rather than accepting respondents' tendency to speak only in terms of the outcomes (for example, 'product benefits') that they desire. The language of desired benefits, outcomes, or goals, just as the language of activity itself, is often motivationally ambiguous (for example, Fennell, 1978; 1980a; Saegert *et al*, 1993). It may lack the specific content that producers need in order to understand the conditions for which an offering should be tailored. Fennell's seven motivational classes (Figure 1.2) are intended to be helpful in focusing the product planning team's attention on identifying and thoroughly investigating concrete features of the conditions upstream that specify the attributes of appropriate goods or services.

demand-creating conditions throughout the market-as-defined be considered. At issue here is avoiding the obvious blunder of merely assuming that the same conditions of demand, for which an existing offering in one's domestic market is appropriate, also exist abroad (as the much-criticized Nestlé's baby formula team may have done when, offering the brand abroad, they overlooked the possible presence of unsanitary water conditions in developing nations).

Returning to Figure 1.3, investigating demand-creating conditions continues by quantifying those concrete instances identified in the qualitative phase, usually through survey research in the relevant universe (step seven). Next, the firm will want to ascertain the existing state of want-satisfaction (the extent to which identified segments of demand are currently being satisfied, either by competing firms or non-marketplace alternatives), the opportunity for brand inroads and the relative worth of segments being considered for potential brand development (step eight).

The model further specifies that steps six through eight are repeated for alternative market definitions or segmentations (step nine). Apart from the fact that, having obtained information on a large number of relevant variables, there are many candidate ways to examine the data, the information obtained will suggest rethinking some of the strategic choices that management initially made. At this stage, information rather than unsupported belief is available regarding, among other things, the standing of competitors in the eyes of prospects and of particular prospect groups defined in terms of common demand-creating conditions. Such information may suggest modifying aspects of the way management defined its market initially. For this reason, it is prudent, while mindful of cost / benefit considerations, to keep one's definition of prospects as wide as possible initially, in the knowledge that one may tighten (more readily than widen) specifications at a later stage. Finally, based on the extensive analysis conducted in these steps of the model, the firm engages in positioning, that is, specifying the attributes to be included in the firm's offering in light of the identified demand and the state of want-satisfaction as found (step 10). Such attributes may often be intangible (such as reflecting an aspect of self-image) as well as tangible (such as reflecting some functional requirement), corresponding to the often complex and subtle nature of qualitatively varied demand characteristics.

The framework outlined in Figure 1.3 is appropriate for any venture under consideration, whether domestic or global, that seeks to discover opportunities to satisfy demand in a producer's defined market. Among its advantages, the model explicitly distinguishes defining one's market from describing the concrete elements of its heterogeneity. In so doing, it shows the systematic place for the otherwise *ad hoc* objections that authors have made to Levitt's recommended globalization. For example, Douglas and Wind (1987) consider governmental and trade barriers, the character of the marketing infrastructure, interdependencies of resource markets

and the nature of the competitive structure as impediments to a global strategy. However, in the course of defining one's market in terms of the firm's expertise for a given venture, the customer's locatability as regards communication and exchange, and the firm's competition (as the model specifies), management takes such impediments into account. This means that marketers would include various overseas countries in their market-as-defined only if considerations of production, communication and distribution were available to supply the targeted demand in those countries, whether supplied from domestic sources or produced in overseas locations. The point is that, by making a distinction between considerations of choosing the arena in which one is going to compete (that is, issues of market definition) and those of how to compete within that arena, including choosing the kind of demand that the firm plans to satisfy, cross-nationally (that is, issues of market segmentation and brand positioning), the present framework addresses the various 'local' considerations (as regards the ease or difficulty of doing business in the locations where one's prospects are found) that nay-sayers have raised as supposed flaws in the recommendation to 'globalize.

1.9 CONCEPTUAL DIFFERENCES RELEVANT TO GLOBALIZATION VERSUS LOCALIZATION

As noted, the ease with which Fennell's model lends itself to discussing and clarifying issues relevant to the 'globalization' of markets can be traced, in part, to the way it conceptualizes the term 'market segmentation' compared with how the term is widely viewed in recent marketing writings, including that of authors who have challenged Levitt's views on globalization. Let us consider some of these differences in conceptualization and their implications for issues relating to 'globalization' and 'localization'.

(1) Fennell's approach retains the original (practitioner's) meaning of 'segmentation', which refers to a firm's *product* policy, as reflected, for example, in Smith's (1956) discussing the alternative strategies of making a brand (a) different from its competition, without regard to conditions on the 'demand side' (product differentiation), or (b) responsive to some aspect of the qualitative variation in demand that is found among prospective users (market segmentation), which Smith suggests may be 'based upon different customs, desire for variety, or desire for exclusiveness, or may arise from basic differences in user needs' (1956, p. 4). It is plain, then, that Smith (1956) refers to conditions in the user's world that are directly relevant to the kind of attributes that brands should possess. That Smith's 'segments' refer to conditions of demand is further emphasized when he goes on to state that: '(diversity on the

demand side) has always been accepted as a fact to be dealt with in industrial markets where production to order rather than for the market is common' (1956, p. 4).

In contrast, reflecting a usage that is widespread in the marketing literature, the meaning of 'segmentation' in the globalization debate is not generally tied exclusively to a firm's product policy but may be used as a synonym for unspecified marketing decisions or, often, specifically for media placement decisions. Authors' examples suggest that what is at issue is selecting population subgroups (identified by demographic, lifestyle and other similar categories) for a special selling effort through advertising, rather than any attempt to derive brand policy systematically from conditions as found in the context for a focal activity.

A consequence that is relevant here is that globalization critics in general have not focused on what, in effect, is Levitt's main point, namely a claim that there is sufficient commonality worldwide among the attributes of (some) conditions that prompt people to engage in a focal activity, so that the same brand may provide satisfaction cross-nationally. In fact, in the globalization debate, 'segments' are not generally stated in terms that are explicitly relevant to production, consumption or contexts for human action but, by and large, are designated by relatively enduring personal or environmental characteristics whose scope spans variation in the contexts within which any human activity takes place.

Characterizations that abstract across occasions for action are seen, for example, in papers by Kale and Sudharshan (1987, p. 65; for example, gender, family size, heaviness of use), Sheth (1987, p. 11; for example, age, professional status) and Hassan and Blackwell (1994, p. 54; for example, age, income, education and psychographics[7]). The fact that the original meaning of market segmentation, as Smith (1956) documented it, is today being neglected or forgotten is strikingly apparent in Onkvisit and Shaw's

The term 'psychographics', when used in academic literature generally, has a cross-contextual meaning as, for example, when it refers to lifestyles, such as 'yuppies', 'homebodies', or to participating in certain activities, such as skiing or frequent overseas vacationing. While individuals so classified may differ from others or the general population in their product usage, it is plain that such groups are not homogeneous as regards desired brand attributes within a given product category. Moreover, knowing that an individual can be classified as a yuppie, homebody, skier or overseas vacationer provides no guidance to the conditions that may prompt the individual to engage in a given activity or the corresponding brand attributes that she or he would regard as desirable. In contrast to such cross-contextual use, note that *practitioners* have used 'psychographics' to reflect elements that are present in the context for instances of a focal activity. Such elements are based on findings from qualitative research that explores the diverse conditions that individuals who engage in a given activity may experience. They are then written in the form of questionnaire items and included in a subsequent quantitative phase of research.

(1994) discussion of globalization issues. These authors devote a section of their paper to discussing market segmentation as an act that management performs; that is, the authors use 'segment' as a transitive verb in management's hands (for example, 'while some firms segment the market by having multiple brands within the same product category, others use different advertisements for the same brand to appeal to different consumer groups', p. 16).

It is abundantly clear that when Smith (1956) discussed market segmentation as a strategic option, he was describing management choosing the attributes of its offering *in light of varied conditions of demand as found among its prospects*. In so doing, management is in no sense 'segmenting' its market, whether it offers one or more brands. Rather it is positioning its brand in light of the varied (that is, 'segmented') conditions of demand that are there to begin with. It is a consequence of the heterogeneity in demand that Smith (1956) discusses that when management chooses the attributes of its offering, those attributes, inevitably, bear some relationship — that is, they are relevant/irrelevant, appropriate/inappropriate — to the attributes of demand-creating conditions already in place (Fennell 1988b). Success depends significantly on how well management chooses its brand's attributes given the varied nature of demand and the state of want-satisfaction found, an analysis that applies equally whether management has defined its market globally or domestically.

(2) A second point of difference is closely tied to the first. Using the term 'market segmentation' in connection with selecting the physical and psychological features of an offering in response to features in the user's world, Fennell addresses other aspects of marketing strategy — for example, considerations of communications (from prospects and to targets), exchange and competition — under the heading of market definition. Such a distinction between market definition and market segmentation analysis is not generally in evidence in other authors' work, some of whom explicitly claim to discuss issues of definition under the term 'market segmentation'. Specifically, in the globalization debate, failing to challenge Levitt on his essential claim of comparable conditions of demand worldwide — a point that relates to market segmentation analysis — authors raised objections that belong in the domain of market definition, as noted already in discussing the systematic place for otherwise *ad hoc* objections to Levitt's recommended globalization (for example, governmental and trade barriers, the character of the marketing infrastructure, interdependencies of resource markets and the nature of the competitive structure as impediments to a global strategy).

(3) What has so far here been discussed as differences in use of the

> term 'market segmentation' reflects yet more fundamental differences between Fennell's conception of marketing compared to the recent mainstream conception. At the source of these differences is Fennell's view that the marketing concept (that is, don't sell what you happen to make; make what the customer wants to buy) is to be taken at face value. It requires scientists to develop conceptualizations of the user's world to guide systematically the producer's choice of features, whether for new or existing brands. Addressing this oversight, Fennell explicitly considers how the source of valued brand attributes is to be conceptualized, and describes seven general classes of demand-creating condition whose scope is appropriate to individual occasions for action and, hence, for brand performance. She has articulated a corresponding view of brands as reflecting similarities in demand-creating conditions over time and space (Fennell, 1990). Producers consider it worthwhile to invest resources in developing brands because want-creating conditions that are broadly similar occur within the same individual over time, and across individuals at other locations, whether defined domestically or globally, so that, if a brand's attributes are appropriate to those of some kind of want-creating condition, that brand can provide satisfaction on numerous occasions of use.

With regard to the globalization debate, then, in discussing how to respond to users' wants worldwide, Fennell's model makes it possible to talk in a concrete manner about the source of value in brands and to phrase Levitt's call to globalization this way: For any brand that is already in existence, are the conditions of demand for which it was tailored to be found outside the geographic region that was investigated in the course of its development? For a producer who has defined a global market and is considering designing a new brand, are there (some) conditions of demand within the market-as-defined that are sufficiently similar as to be well served by one and the same brand?

Such an approach differs from textbook presentations that typically characterize the basis for market segmentation as geographic, demographic and psychographic (lifestyles), apparently assuming that because, for example, Northerners are different from Southerners, young people are different from middle-aged and older people and yuppies are different from homebodies, individuals in each group will be homogeneous as regards their preferences *within a given product category* and different from individuals in other groups. The typical textbook view is often extended to international marketing, where authors (for example, Wind, 1986) maintain that differences among nationalities further serve as an important basis for market segmentation; that is, within-category differences in conditions of demand and corresponding preference among brand attributes. It is argued, for example, that since Japanese are quite different

from North Americans (who could argue otherwise?), they must have special wants that must be taken into account whenever the firm plans to sell its brands in Japan. Thus the 'localization' argument is but a logical extension of the market-segmentation-by-demographics approach to marketing strategy.

Even when authors occasionally succeed in breaking away from 'segments' expressed as cross-contextual categories that are broadly descriptive of persons or environments (as opposed to segments properly described as kinds of occasion within domains of activity), they fail to capture the notion that the conditions of demand (as opposed to broad attributes of persons or environments) readily suggest the kind of brand attribute that users will value. Douglas and Wind (1987, p. 23), for example, use the terms 'luxury' and 'premium' to designate the 'global segments' that, in their view, are typical in consumer markets, stating also that

> global segments are ... not limited to such product markets, but also exist in other types of markets such as motorcycle, record, stereo equipment and computer, where a segment with similar needs and wants can be identified in many countries.

Missing here is any hint of the nature of relevant variation in conditions of demand, to which the classes of Figure 1.2 give access, and the direction that the attributes of such conditions provide for brand development. For example, the motorcycle category (or, stated in user terms, one- or two-person speedy transport over short to medium distances) comprises different kinds of condition that may prompt individuals to consider purchasing such a vehicle, including:[8]

(1) circumstances that require a conveyance to solve a specific type of problem, such as easy guidance through narrow streets and parking in small spaces,
(2) seeking to impress one's peers with a conveyance that expresses fashionable concepts of design,
(3) viewing transportation as a routine requirement of daily life,
(4) as a motorcycle buff, finding interest in the complexities of design and performance outcomes,
(5) craving the sensory thrill and excitement from speeding along on a conveyance laden with chrome and leather,
(6) seeking any or all of the above while feeling put off by high costs, or high fuel consumption, or
(7) being frustrated that no available alternative satisfies one's particular circumstances.

When market segments are properly conceptualized as qualitatively varying conditions for engaging in the focal activity, the direction for

[8] Numbers refer to classes in Figure 1.2.

choosing attributes that make an offering desirable for certain kinds of occasion is apparent. Such direction is not normally retrievable from terms such as 'premium', or 'luxury', or from the names of product categories, such as 'motorcycles', any more than from knowing country of residence, or, for that matter, any number of demographic categories.

In contrast, with a set of general classes of demand-creating condition available as a conceptual tool, the globalization issue may be stated in straightforward fashion namely: (1) within a given product category, to what extent can similar demand-creating conditions be identified across national borders, and (2) within qualitatively distinct sets of conditions, what is the state of want-satisfaction cross-nationally, and the possibility for inroads by a client producer?

A particularly interesting example of the effects of conceptual differences such as we have been discussing occurs in a paper in which Kale and Sudharshan (1987) argue, reasonably, that 'segmentation by country' is illogical, and discuss 'strategically equivalent segmentation' as a system of segmenting on the basis of '*consumers*' rather than '*countries*' (emphasis in the original). They acknowledge that market segments (that is, relatively homogeneous demand) exist across national boundaries, and that to consider a country as a market segment implies the unlikely possibility that individuals within a national unit are homogeneous regarding a particular product category and ignores similarities in demand across national boundaries at the risk of losing out on economies of scale (1987, p. 61). However, even though their notion of 'strategically equivalent segments' seems to suggest searching for similar segments of demand across national boundaries, problems arise upon closer examination. Having suggested that segments do not depend on country designations for their existence, Kale and Sudharshan go on to recommend segmentation within countries by demographic and other personal characteristics of individuals, which do not constitute bases for segmentation (that is, qualitative differences in demand) any more than does residence within particular national borders. Citing Kotler (1984), they propose criteria of measurability, accessibility, past experience and managerial interest to justify a 'segmentation' scheme for frozen dessert based on such dimensions as gender, age, family size and product-usage level. Such variables do no more than further define the arena in which the firm is going to compete and provide no direction as to the features of a proposed offering. What attributes of frozen dessert are specified by knowing that one is producing for a young adult, male, daily dessert-eater/snacker, and what reason is there to suppose that young adult males who eat desserts/snack daily are homogeneous as regards their dessert preference and different from individuals in other gender, age and frequency groups? Kale and Sudharshan (1987) appear to hope that empirical techniques will save the day in this instance, by yielding information to guide brand positioning (for example, 'desired sweetness', p. 65) without, however, suggesting why they expect the subgroup to be homogeneous (and different from other subgroups defined on similarly cross-contextual terms) on level of sweetness desired or, indeed, on any brand attribute. As noted, however, following Smith (1956), segments: (1) are properly identified based on variation in the nature of demand that gives direction for brand policy, and (2) depending on considerations of want-satisfaction, individuals who experience particular demand-creating conditions may be chosen as targets for a corresponding brand positioning. It is disappointing that Kale and Sudharshan (1987) state no reasons for departing so radically from Smith's (1956) concept of market segmentation.

Moreover, Kale and Sudharshan do not recognize market definition and segmentation as distinct, systematically different tasks:

> In the context of multinational marketing, (market) segmentation involves the choice of: (1) which countries to enter, and (2) the specific segments to serve within each country. ... The framework for international segmentation posited in this paper would thus be ... utilized ... for identifying (sic) and serving global markets (1987, p. 60).

Relatedly, while their distinction between 'qualifying' and 'determining' dimensions (p. 62) looks promising, the distinction fails in practice as both kinds of dimension perform the same systematic function, namely, that of defining an arena within which the firm plans to compete — market definition, in Fennell's terms. Moreover, the sense in which a dimension is 'determining' is not clear, as evident from our discussion of 'desired sweetness' for frozen dessert.

Finally, Kale and Sudharshan offer no conceptualization of the behavioural source in the user's world of guidance for a producer's choice of brand positioning. In contrast, Fennell's concept of demand-creating conditions, along with her description of seven qualitatively different classes thereof, guides researchers to identify qualitatively similar conditions of demand (wherever the particular kind of context occurs — within national boundaries or beyond), which, in turn, point to the kinds of attribute that users will find desirable in brand offerings.

It is a remarkable feature of the globalization literature, starting with Levitt and including the commentators pro and con, that none of the authors has discussed globalization in light of a systematic view of conditions of demand, as found. They do not discuss theoretically-specified analytic categories, or behavioural conceptions designed to help producers establish the extent to which similar conditions of demand are found across national borders. It must be said that Levitt (1983) may have made his contribution more cogent and less controversial had he clarified the sense in which he used the term 'standardized'. Somewhat out of character, given his other writing, Levitt leaves it open to speculation that, by a standardized product, he means nothing more than a good or service whose features are identical wherever it is offered. What is missing in such a view is: (1) reference to how such features have been chosen, (2) their relationship to conditions of demand as found in parts of the globe where the producer wants to do business, within and outside the firm's national borders and, (3) more basically, discussion of cross-national similarities and differences among conditions of demand and the state of want-satisfaction. Posing such questions is, of course, facilitated by having available a conceptualization of demand-creating conditions that is independent of the marketplace and of reactions to existing or candidate offerings, and that permits focusing analytic attention on demand-*creating* conditions in the user's world as distinct from a producer's goods or services, whose attributes a producer chooses to help *satisfy* wants, in the context of competing offerings.

1.10 CONCLUSION

Facing a naturally-occurring universe of behaviour and capable of producing a brand whose scope is relevant, at best, to only a tiny portion of that universe, producers need guidance in investing their resources to maximal advantage by finding and responding to a subset of the adjustments that prospective buyers are ready to make. For management to decide just which conditions they will choose to respond to through their brand's attributes, both tangible and intangible, and which individuals who experience those conditions they will pursue, is a complex matter. It entails choosing: (1) which individuals to regard as prospects, (2) which prospects to regard as worth studying and, within those studied, (3) which conditions warrant regarding as targets those individuals who experience them and are not too costly to pursue. It is useful to assign such decisions to two systematically distinct tasks of: (1) defining the arena in which the firm is going to compete for business within a given product category, and (2) within that arena, choosing the kind of demand it proposes to satisfy. The state of affairs just described is unchanged in its essentials no matter what domain of time, space, user activity and corresponding producer expertise is at issue.

Marketing's task as just described remains the same wherever marketing is practised; specifically, in the present context, whether the relevant domain of space ends at or extends beyond the firm's national borders. Levitt made a useful point in suggesting that conditions of demand, sufficiently similar to be responded to by one and the same brand, are to be found cross-nationally. In so doing, presumably he hoped to adjust a pendulum that had swung too far in the direction of noting instances of cross-national differences, whether relevant or not to conditions of demand. It seems unlikely that Levitt was proposing a universal approach to international marketing — namely, that every producer should for all international ventures respond to the same kind of demand domestically and abroad — or a universal approach to marketing — namely, that in all

cases go global with your domestic brand. Remarkably, Levitt's critics responded with a variety of slogans and catchphrases such as 'think globally, act locally'. To state it as gently as possible, catchphrases and slogans are a less-than-adequate response, given the many options present in marketing decisions, as is evident even in the summarizing words of the preceding paragraph.

Given the numerous individuals in a corporate environment who generate suggestions regarding marketing strategy and the sheer number of variables that are relevant to marketing decisions, management's problem is often an embarrassment of options that it is unable to analyze systematically. Within the firm, marketing's contribution is informational. For the information that marketers provide to be relevant to the firm's strategic choices, it must be guided by a model of marketing that can distinguish figure and ground in the firm's environment relative to the decision to be taken. Such a model can help management to generate and screen options systematically for the decision at hand. For the strategic domain of product policy, which Levitt has in focus in discussing globalization, what needs to be modeled is a single occasion on which the focal brand may be used (for example, Fennell, 1988a; 1991a), as well as the various forms that demand-creating conditions may take, throughout an appropriate region of time and space. A framework for making strategic marketing decisions that incorporates the variables of such a theoretical model (for example, Figures 1.1, 1.2, and 1.3) is a useful tool in helping management to obtain and review relevant information systematically. It may well be that the best decision for a particular venture is 'global standardization', that is, responding to the same kind of demand domestically and abroad within one's market-as-defined. It cannot be ruled out, however, that in other cases — depending on the state of want-satisfaction in particular countries or regions — other strategies may be more attractive. For example, consider global space to comprise two markets-as-defined: in Market X, respond with Brand A to Type A demand at home and abroad, and in Market Y (which is a region overseas that is not included in Market X, where a well-accepted competitor is already responding to Type A demand), respond to Type B demand with Brand B, which is not offered domestically. Rather than catchphrases, practitioners of marketing appreciate models that help them to identify and study features of the marketing environment that are relevant to deploying their resources to maximal advantage for themselves and for users. Compared with being told to 'think/plan globally, act locally', which is empty of substantive direction, insight into the nature of the conditions in the user's world that create demand for a focal product category is useful to a producer, who may thus be guided in choosing, among a myriad possible attributes, those that make a brand valuable for conditions known to exist in the user's world, domestic or global.

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