

UNIVERSITY OF VAASA

SCHOOL OF MARKETING AND COMMUNICATION

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**THE INFLUENCE OF DIGITALISATION OVER THE INTERNATIONAL
MARKETING MIX STRATEGY.**

A case study in the footwear industry

Master's Thesis in International Business

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Sisu

Sisu (see '-soo) noun

*Extraordinary endurance in the face of
adversity ° persistence, determination,
guts ° full of courage, tenacity, resolve,
willpower and an indomitable spirit*

To Vaasa which taught me to find my own sisu.

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ABSTRACT

When a company decides to cross the national borders, it has to redefine its marketing strategy, This can be done following two main approaches: standardization and adaptation. Many studies have been made regarding standardization and adaptation of the international marketing strategy and nowadays there are also a lot of studies regarding how digitalization is having an impact on enterprises, but the influence of digitalization over the standardisation and adaptation of the international marketing mix received less attention.

This study investigates the relationship between the two traditional approaches and the phenomenon of digitalization. More in detail, it found out what kind of impact digitalisation is having on these approaches, pointing out new trends that marketers should take into account to implement better international marketing strategies. The study focuses on the footwear industry, which is an interesting and dynamic sector, with good growth perspective and the analysis is based on the experience of three different footwear companies which have international activities. To gather information from these companies semi-structured interviews have been conducted. The sample included in the work is composed by three companies of different size and from different countries which all operates in globally or in many different markets. The main characteristic of these companies is related to the customization service they are offering to their customer.

The results almost reflected the expectation that the classical dualism of standardization and adaptation has been exceeded because today, due to the customer centricity, there is a persona perspective instead of the old market perspective, which is influencing all the international marketing decisions. Moreover, the results show that the degree of influence of the customization is higher than the one brought by big data, not because of the big data itself, but because companies are too small or still do not know how to use them in an appropriate way. This work helps to focus the attention to a topic which is not so studied, and it gives a better understanding on how companies should take advantage of digitalization.

KEYWORDS: Digitalisation, International Marketing, Footwear industry, Big Data, Customisation

1. INTRODUCTION

This chapter's intention is to present the topic of this research. First, the background of the study is presented underlining respective research gaps. The second part is followed by goal setting and objectives of this research in addition to the structure of the thesis. Finally, main concepts are defined according to the literature.

1.1 Background of the study

The theory of standardization and adaptation in an international marketing perspective developed during the 1960s (Buzzel 1968) and it has been used in many international business circumstances. Based on it, many other theories have been developed supporting both adaptation, standardization and a mix of the two.

Digitalisation has brought to many changes in the business environment, that have effects on all the business activities. Digitalisation is for sure an opportunity, but on the other hand – if not well managed- can be a threat too. Looking at the existing literature, it is possible to find many studies regarding standardization and adaptation of the international marketing strategy (Theodosiou and Leonidou 2003; Shoham 2002) and also regarding how digitalization is having an impact on enterprises (Mastilo 2017; Westerman et al. 2011), but what is missing are studies concerning the changes that digitalization is bringing to the international marketing mix strategies.

As it can be seen from the title, this thesis will analyse these two important topics from a combined perspective, to offer a fresh and new point of view. In particular, the study will focus on the footwear industry, The revenue in the footwear market is about 357,930 million dollars in 2018 and this market is expected to grow annually by 4.2 % between 2018 and 2021 (Statista 2018) which represent an important growth for the sector and leave room for new business opportunities.

The thesis will follow a deductive approach because of the nature of the topic that requires the construction of a proper theoretical framework from which some interview questions will be developed in order to build the empirical part. Last but not least, the outcome of the interviews will be examined and links with the previous theoretical framework will be done (Saunders et al. 2016) The empirical part will be done by conducting qualitative interviews with managers of different footwear companies, in order to see what is actually happening: what are their marketing strategies, their reasons behind them and how they managed the change due to the spread of digitalisation.

When a company decides to cross the national borders, it has to redefine its marketing strategy. The choice of standardization or adaptation is particularly relevant for a firm since it will have a huge impact on the success and the increase of profit of the company (Craig and Douglas 1996) and since we are living in a digitalized era it is important for companies to understand how digitalisation is affecting their international marketing strategy in order to make conscious choice that will reflect on positive results. Companies should be aware of what digital factors are affecting the most their decision in order to gain advantage of it. In addition to this, the European footwear market volume will continue to increase in the next year and it is expected to amount to 2,198m pairs by 2021 (Statista 2017)

Working on this topic will provide managerial implications that could be important for the future of footwear industries. In addition to this, this work could be applied to other manufacturing industries and lead to further studies.

As mentioned above, there have been made much research about standardization and adaptation of the international marketing strategy (Theodosiou and Leonidou 2003; Shoham 2002) and, nowadays, there are also a lot of studies regarding how digitalization is having an impact on enterprises (Mastilo 2017; Westerman et al. 2011).

Less relevance has been given to the relationship of these two topics and to the impact digitalisation is having on those strategies.

Digitalisation has changed customer behaviour (Piccinini et al. 2015): they are now more informed and digital skilled, which make them able to value and compare the products they want to buy (Lucas et al. 2013). Nowadays when a firm decides to enter a new market and starts to define its marketing strategies should take into account the transformation that digitalisation is having on business activities and more in detail that is having on the two traditional approaches.

1.2 Research question and objectives

This study aims to analyse the impact that digitalisation is having over the standardisation and adaptation approaches when it comes to the international marketing mix of a company. More in detail the study will investigate this, among the footwear industry. Then, the research question to be answered is:

What kind of changes is digitalization bringing to the degree of standardization or adaptation of the international marketing mix activities of the footwear industry?

The objectives of the study can be divided into theoretical goals:

- Review the existing literature regarding international marketing and the adaptation or standardisation of the international marketing mix strategies.
- Analyse the phenomenon of big data used for marketing activities and the trend of customization to be used to narrow the definition of digitalization and to build the theoretical framework.
- Develop a theoretical framework where digitalization is seen as an influencing factor of the degree of standardisation and adaptation of the international marketing mix strategy.

And empirical objectives:

- Analyse what kind of changes digitalisation is bringing on the degree of standardization or adaptation of the international marketing mix activities in the footwear industries.

- Develop managerial implications for footwear companies to allow them to take advantage of the opportunities that digitalisation is providing.

By achieving these objectives, this thesis will firstly provide a theoretical framework which will allow the reader to understand what changes are occurring in the international marketing activities and based on that the author will develop an empirical part which will investigate that impact in the footwear industry. This will be done by analyzing three different footwear companies in order to understand and to develop managerial considerations to take advantage of these changes. Moreover, this will contribute to bringing to light to this novel and hot topic, which still needs further studies.

1.3 Delimitation of the study

This study focuses only on impact that digitalization is having on the international marketing mix. For this reason, the whole work is based on a marketing perspective and it investigates in which ways digitalization is affecting the choice between the classical strategies of standardisation and adaptation. In order to follow the purpose of this study, the researcher decided to delimitate the concept of digitalization analyzing two of the biggest digital trends expected for 2018 to obtain more relevant results.

The theoretical approach used in this thesis allows the reader to have a better understanding of the topic. For this reason, the author included different perspectives to have a wider view on which the researcher built a solid theoretical framework. Furthermore, the critical thinking applied in this section makes the reader aware of the reasons behind this work and prepares him for the empirical part. In addition to this, due to the actual nature of the topic, a greater focus will be on recent articles rather than books, which -sometimes- may appear outdated.

This study, and so its output, is delimited to the footwear industry in order to obtain more comparable results more and to be able to better control the study. Moreover, including any kind of consumer-goods would have been too broad for the aim of the study.

First of all, the author wanted to investigate the field of physical good since “*consumer-goods companies have been at the forefront of digital innovation in commercial areas such as marketing and sales*” (Fritzen et al. 2016). Secondly, we focused on the footwear industry due to its dynamic and interesting features. Furthermore, the footwear industry seems to be one of the sectors most interested in the advanced manufacturing systems Implementation with reference to additive manufacturing and all those new technologies introduced by the spread of digitalization (Di Roma 2017).

In this thesis, footwear industry regards only those companies which are producing shoes for private end customers. This means that work and safety shoe producers will not be considered.

For the interviews will only be considered those footwear industries that have international activities in order to be able to answer the research question. No restrictions will be made regarding what kind of shoes the selected companies produce (for example sports shoes, town footwear, etc...)

To sum up, there are delimitations in this thesis. However, these should be seen as possible opportunities for further studies and not as factors affecting the relevance of the results that will be obtained.

1.4 Key Concepts

Hereby are presented the key concepts that are included in this thesis, explaining them through the most widely adopted:

MARKETING MIX: “*it is a set of controllable variables that the firm can use to influence the buyer’s response*” (Singh 2012) and all these variables are linked to each other and influenced by them (Cuellar-Healey and Gomez 2013). The marketing mix includes four decisions a company need to consider before launching a new product. (Singh 2012.) that are price, place, product and promotion.

MARKETING STANDARDISATION STRATEGY: is *“the offering of identical product lines at identical prices through identical distribution systems, supported by identical promotional programs in several different countries.”* (Buzzel 1968, p. 103)

MARKETING ADAPTATION STRATEGY: it implies *“changing various aspects of products and services to a considerable extent in order to meet the needs of consumers in international markets taking into account their differences”* (Chung 2009.)

DIGITALISATION: *“it is the use of digital technologies to develop new business models. moreover, it provides opportunities and new revenue. it can also be seen as a process which leads a company into a digital business.”* (Gartner 2017.)

BIG DATA: they can be described as *“a combination of volume, variety, velocity and veracity that creates an opportunity for organisations to gain competitive advantage in today’s digitised marketplace.”* (Schroeck et al. 2012.)

MASS CUSTOMISATION: It *“aims to deliver products and services that best meet individual customers’ needs with near mass production efficiency.”* (Tseng and Jiao 1996.)

1.5 Structure of the study

The first chapter of the work will include an introduction which goal is to define the background of the study, its position and to identify research gap. Secondly, it will illustrate the purpose, the research question and the objectives. Furthermore, this section will present the main theoretical and key concepts related to the topic and the structure of the study.

The second chapter will illustrate a critical and appropriate review of the current literature, in order to first analyse the already existing theories and to build on them a proper theoretical framework. The main focus will be on theories regarding the

international marketing mix, its key components, the main strategies used (standardization and adaptation) and all the advantages and problems related to them.

The third chapter will then focus on the concept of digitalization, more then it will present and analyse the two phenomena that are included in this thesis to better and narrowly investigate the digitalization impact over the international marketing mix strategy: big data and customization. In addition to this, the third chapter will illustrate the theoretical framework which will be used to develop the empirical part.

The fourth chapter will show the methodology used during the thesis. In this section, it will be defined what research philosophy has been adopted in the work. Moreover, it will be described what qualitative research is, which research approach has been used, how case studies have been chosen and how data have been collected. Last but not least, the quality of this master's thesis will be evaluated.

The fifth chapter will consist of the empirical analysis of the data collected through the semi-structured interviews and of the description of the results of the study. In this section, the author will include extracts gathered during the semi-structured interviews conducted in order to show real examples of the empirical work.

The sixth and last chapter will discuss the results obtained: the empirical outcomes will be connected to the theoretical framework previously defined in order to critically analyse the main findings. The chapter will then continue with a summary of the study and the results obtained. In addition to this, it will include managerial implications in order to make this study a relevant contribution to this topic. Finally, limitations of the study will be clearly defined and some suggestions for further studies will be included.

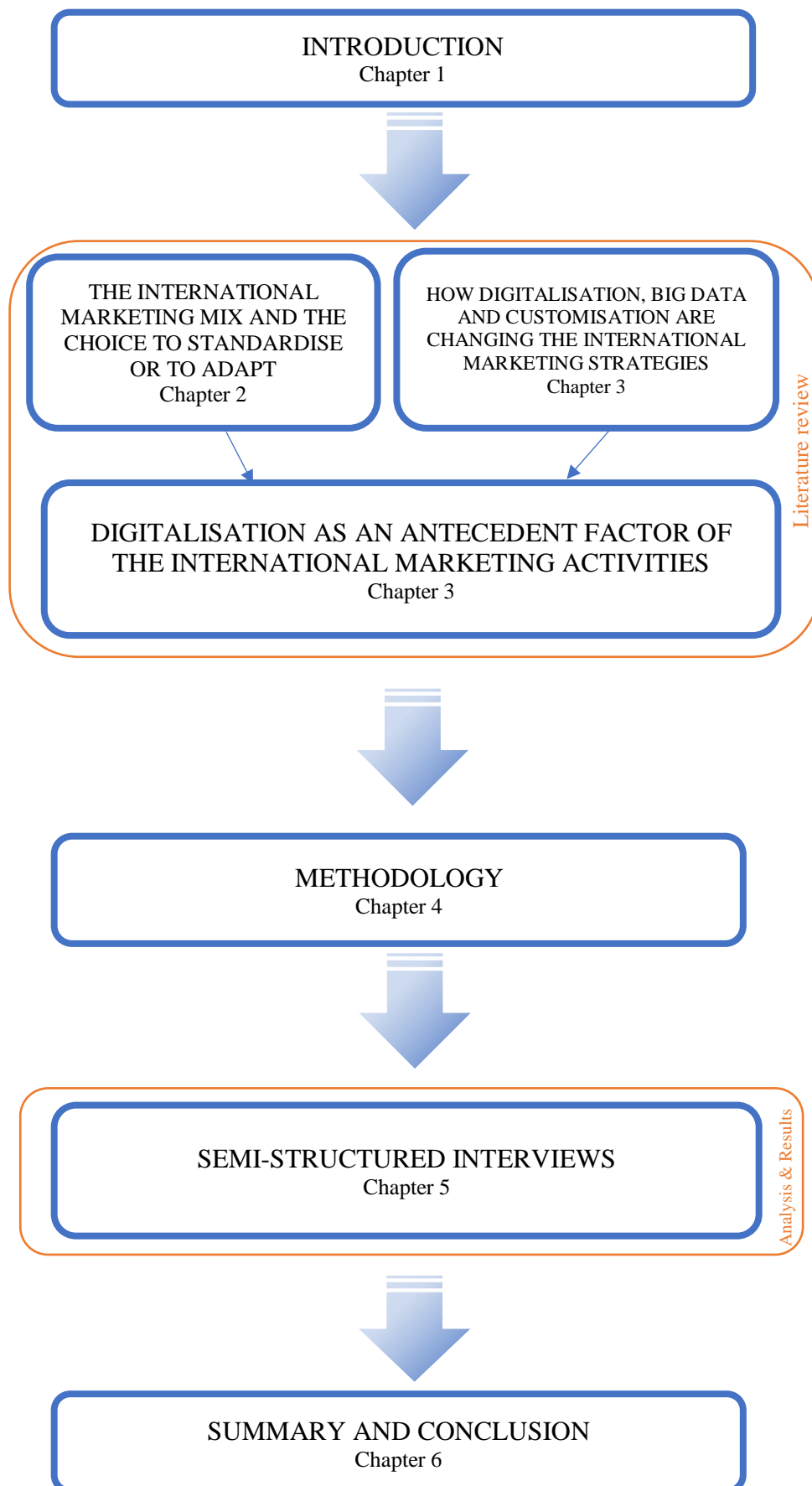


Figure 1. Structure of the study.

2. THE INTERNATIONAL MARKETING MIX AND THE CHOICE TO STANDARDISE OR TO ADAPT

This chapter aims to provide a broader, detailed and critical review of the literature. First of all, it will analyze the concept of international marketing to provide a concise overview of the topic. Then, it will present the different points of view regarding the choice of standardisation or adaptation of the international marketing mix activities. Last but not least it will provide a detailed picture of the phenomenon of the digitalization in order to provide to the reader sufficient information to fully understand the next chapter.

2.1 The definition of International Marketing

The first definition of international marketing goes back to World War II and it was used to identify all the “activities belonging to marketing beyond domestic level” (Codita 2011). From that moment on, international marketing became a common marketing concept, but it does not exist a universally accepted definition of it. (Akgün et al. 2014.) For this reason, many authors and researchers define international marketing in different ways. For the purpose of this study, the author wanted to include the most relevant ones presented by Akgün et al. (2014) and they are presented in table 1.

Table 1. Definitions of international marketing (Adapted from Akgün,2014).

Author	Definition
Albaum and Peterson (1984: 162)	“...marketing activities relevant to products or services that directly or indirectly cross-national borders.”
Jain (1999)	“....refers to exchanges across national boundaries for the satisfaction of human needs and wants.”
Terpstra and Russow (2000)	“marketing across national borders, marketing in foreign countries and coordination and integration of marketing in divided foreign environments.”
Bradley (2005: 3)	“...means identifying needs and wants of customers in different markets and cultures, providing products, services, technologies and ideas to give the firm a competitive marketing advantage, communicating information about these products and services and distributing and exchanging them internationally through one or a combination of foreign market entry modes.”
Doole and Lowe (2008: 9)	“...,where the marketing activities of an organization include activities, interests or operations in more than one country and where there is some kind of influence or control of marketing activities from outside the country in which the goods or services will actually be sold.”
Ghuri and Cateora (2014: 8)	“....is the performance of business activities that direct the flow of a company’s goods and services to consumers or users in more than one nation for a profit.”

Among all these definitions, the one adopted in this thesis is the one provided by Bradley (2005) because it better fits with the purpose of this master's thesis and allows the reader to capture the right perspective used to develop this work.

International marketing is now a key topic of research in many universities around the globe, it now includes also many scholars from different countries. This is reflected in the fact that during the period 1995–2015 the number of articles written about this topic has remarkably increased (Leonidou et al. 2018).

The international marketing mix activities include at least one of the marketing mix decision outside the firm's home country and are crucial for many companies which operate in today's globalized economy which is characterized by a high level of competitiveness. (Leonidou et al. 2010.). Furthermore, the international marketing mix activities are more complex because in this case there are two or more sets of uncontrollable variables deriving from different countries (Onkvisit and Shaw 2009). In fact, the company needs to manage a different environment, with customers with different needs and tastes, with a different culture, different laws, different market structures, government policy, laws, different economic and technologic levels (Akgün et al. 2014.)

The concept of marketing mix refers to the idea of “mixing ingredients”, meaning that in order to develop a marketing strategy it is necessary to combine a series of different means of competition to be profitable (Grönroos 1994). The elements needed in this mix are the so-called 4Ps: product, price, place and promotion (Goi 2009). This framework has been criticized by some researchers in the past years defining it product oriented and not customer oriented (Popovic 2006), others argued that it should be seen also from a customer's point of view and for this reason the 4Cs model (customer solution, cost, convenience and communication) has been implemented (Lauterborn 1990), that it does not consider customer behaviour (Möller 2006) or that it does not consider the experiences that consumers buy (Goi 2009).

In addition to this, during the past years, many other versions of the 4Ps have been proposed, seeing an increase in the number of elements taken into consideration. Booms

and Bitner's (1981) extended the marketing mix elements from 4 to 7 initially to be able to use it for services too, but later on, it became a generic framework used also for consumer goods (Rafiq and Ahmed 1995). Then we have also other frameworks which 8 Ps (Goldsmith, 1999) or even 15 Ps (Baumgartner 1991).

Despite the criticism, the 4Ps framework received it remains a staple of the marketing mix (Goi 2009; Kent and Brown 2006) and many of the marketing mix used today are still based on the 4Ps model (Goi 2009). For these reasons, when referring to the marketing mix activities we will refer to the one based on the 4Ps framework.

In the case of the international marketing mix, the activities included in it are (Akgün et al. 2014; Omar 2008):

“

1. *The analysis of markets and potential markets*
2. *The planning and development of products and services that consumers want, distinctly identified in a proper package*
3. *The distribution of products through channels that assure the services or conveniences demanded by buyers*
4. *The promotion of products and services, including advertising and personal selling to inform and educate consumers about those products and services, or persuade consumers to try new, improved or different ways of satisfying their wants and needs*
5. *The setting of prices that reflect both a reasonable value (or utility) of products or services to the consumers, and a satisfactory profit or return on investment*
6. *The technical and non-technical support given to customers, both before and after a sale is made, to ensure their satisfaction, and thus pave the way for possible future sales that are necessary for company survival and growth”.*

The just mentioned contribution is from 2008, from that year many things have changed, new technologies have been introduced in our lives and new way of doing marketing have been implemented, but the objectives of the marketing mix activities are still the same and for these reasons it has been used also by Akgün et al. in 2014.

2.2 Different points of view about the choice of standardisation and adaptation of international marketing mix

In the area of international marketing, topic related to the marketing mix has been widely studied (Ivy 2008; O'Cass and Craig 2003; Griffith and Krampf 1998), but the standardisation or adaptation of the international marketing mix has become nowadays one of the key researched topics (Larimo and Kontkanen 2008).

Looking at the literature, the first articles regarding standardization and adaptation of the marketing mix are from the 1960s, but only during 1970s, it became a more researched topic (Larimo and Kontkanen 2008). It is possible to identify three main different opinions regarding the adaptation and standardization of the marketing mix (Hollensen 2008: xiii): those in favour of the standardization strategy (eg. Zou and Cavusgil 2002; Ohmae 1985; Levitt 1983), those who argue that the adaptation approach is better (Terpstra and Sarathy 2000; Baalbaki and Malhotra, 1993) and those who do not see standardization or adaptation as a choice, but the approach can be a mix of the two, where the marketing strategy can range between the two extreme values (Vrontis and Papasolomou 2005; Jain 1989; Onkvisit and Shaw 1987; Quelch and Hoff 1986).

According to Theodosiou and Leonidou (2003: 142) the standardisation approach see the world as a globalized one, where there is high technology uniformity, greater market similarity and consumer need, preferences and tastes are more homogeneous (Ohmae 1985; Levitt 1983). The supporters of this approach also state that standardization is further facilitated by the growth of international communication channels, the emergence of global market segments, and the appearance of the Internet. They also point out a number of benefits: (a) significant economies of scale in all value-adding activities, particularly in research and development, production, and marketing; (b) the presentation of a consistent corporate/brand image across countries, especially in light of the increasing consumer mobility around the world; and (c) reduced managerial complexity due to better coordination and control of international operations (Yip et al. 1988; Douglas and Craig 1986; Levitt 1983;).

On the other hand, Theodosiou and Leonidou (2003: 142) illustrate that the adaptation supporter state that even if it is true that the world is more globalized, but differences and distance between countries still exist and consumer needs, use conditions, purchasing power, commercial infrastructure, culture and traditions, laws and regulations, and technological development are still too great, thus the adjustment of the marketing strategy to the characteristics of each foreign market it is essential (Terpstra and Sarathy, 2000). In particular, they criticize the standardisation approach referring to it as a kind of marketing myopia, which oversimplify the reality and contradict the marketing concept (Douglas and Wind 1987; Boddewyn et al. 1986; Wind 1986). They also stress the fact that the ultimate objective of the firm is not the cost reduction through standardization, but the long-term profitability through higher sales accrued from a better exploitation of the different consumer needs across countries (Whitelock and Pimblett 1997; Onkvisit and Shaw 1990; Rosen 1990).

As mentioned above, there is a third category of researchers that according to Theodosiou and Leonidou (2003: 142 – 143) look at the standardisation and adaptation debate from a contingency perspective. In their view: (a) standardization or adaptation should not be seen in isolation from each other, but as the two ends of the same continuum, where the degree of the firm's marketing strategy standardization/adaptation can range between them; (b) the decision to standardize or adapt the marketing strategy is situation specific, and this should be the outcome of thorough analysis and assessment of the relevant contingency factors prevailing in a specific market at a specific time; and (c) the appropriateness of the selected level of strategy standardization/adaptation should be evaluated on the basis of its impact on company performance in international markets. Hence, the challenge for the international firm is to determine which specific strategy elements are feasible or desirable to standardize or adapt, under what conditions, and to what degree. (Cavusgil and Zou 1994; Jain 1989; Onkvisit and Shaw 1987; Quelch and Hoff 1986.).

2.3 A conceptual model on international marketing strategy standardization and adaptation

For the aim of this thesis, the adaptation of marketing mix refers to the degree to which its elements (price, place, product and promotion) are adapted to each external market to consider and to adapt to environmental differences, consumer tastes and needs, standards of use, and competitiveness. (Ang and Massingham 2007; Zou et al. 1997.). On the other hand, the concept of standardisation of the marketing mix refers to the degree to which its components are standardized all over non-domestic markets.

This because using the degree of adaptation/standardisation will provide more detailed results and because the fundamental question is not whether to standardise or to adapt marketing strategies, but how much to standardise or to adapt (Jain 2007; Cavusgil and Zou 1994; Jain 1989).

This perspective of the standardisation and adaptation approach has led to many studies which are too fragmented, repetitive, diverse and inconsistent. For this reason, Theodosiou and Leonidou (2003: 143) decide to develop a study whose aim is to consolidate this research area. In order to do this, they based their research on a simplified version of the international marketing strategy standardization/ adaptation model (Cavusgil and Zou 1994; Jain 1989) that it is hereby reported in Figure 2.

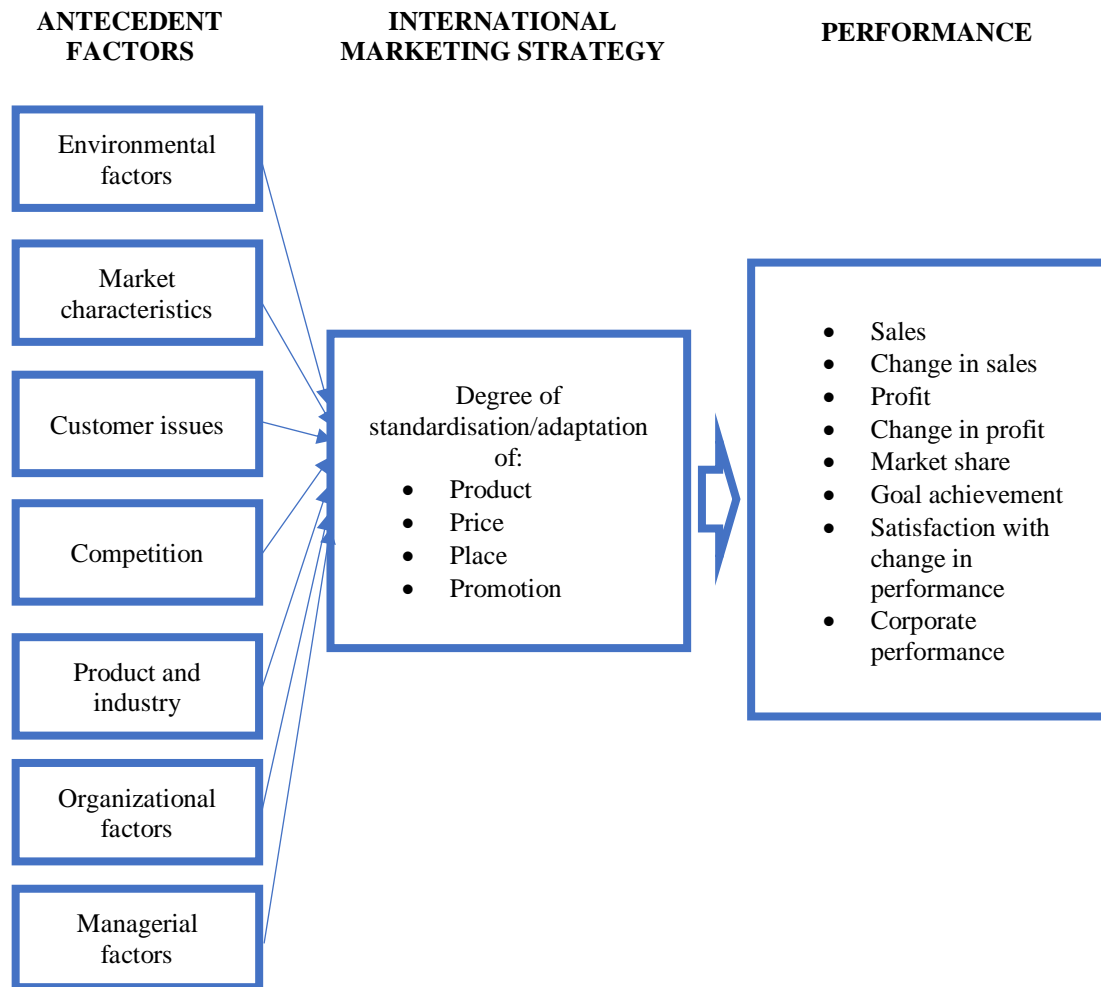


Figure 2. A conceptual model on international marketing strategy standardisation/adaptation (adapted from Theodosiou and Leonidou 2003: 143).

This model by Theodosiou and Leonidou (2003) is composed by three macro elements which are (1) the antecedent factors, which are all those variables, background forces, affecting the decision to standardise or to adapt the international marketing mix strategy, then there are the (2) marketing strategy variables which are the 4Ps of the marketing mix and the (3) performance outcomes which represents the impact of international marketing strategy standardization/adaptation on the performance in foreign markets. (Theodosiou and Leonidou 2003: 144.)

This model will be used in this thesis in order to build the theoretical framework and in order to reach the objectives set and be able to develop a reliable a valuable work, no

attention will be paid to the performance outcomes. What this work wants to implement is to adapt this model including the digitalization as an antecedent factor to see how this is having effects on the degree of standardisation and adaptation of the international marketing mix. Before proceeding with the analysis and the introduction of the new factor, it is necessary to properly analyze the antecedent factors already present in the model, in order to have a better knowledge about it.

The model includes seven different antecedent factors that are: environmental factors, market characteristics, customer issues, competition factors, product and industry factors, organizational factors and managerial factors. (1) Environmental factors consist of a broad variety of economic, sociocultural, political-legal, and physical forces which have an influence, that can be both direct or indirect, on international business operations (Theodosiou and Leonidou 2003.). In fact, these factors can severely limit the firm's capability to develop and implement a standardized strategy (Douglas and Wind 1987). Even though in many studies it has been said that environmental differences are very important in determining both the feasibility and the appropriateness of international marketing strategy Theodosiou and Leonidou (2003) contradicts this traditional concept which support the idea that environment represents the driving force behind the differentiation of the marketing strategy.

(2) Market characteristics are those factors that determine the level of sophistication and development of a particular foreign market, including its marketing infrastructure, advertising media availability, distribution structure, and market size. (Theodosiou and Leonidou 2003.). While the latter determines demand potentials in a foreign market, the other market characteristics influence the firm's ability to strengthen and serve demand (Theodosiou and Leonidou 2003.). Of those, market size had consistently exhibited the greatest influence on marketing strategy -the larger the market the more the adaptation required- particularly affecting its promotional aspects (Theodosiou and Leonidou 2003.). Moreover, even if what is expected is a bigger level of standardization due to similarities in the availability, performance, and cost of the marketing between the home and host markets (Jain 1989), in the study by Theodosiou and Leonidou (2003) it was only partially validated.

(3) customer issues, according to Theodosiou and Leonidou (2003) focus on the characteristics, tastes, and the behaviour of customers in foreign markets. In fact, A firm can be successful or fail mainly because of its ability to satisfy the needs of its target customers better than the competition. Theodosiou and Leonidou (2003) find out that customer issues have a quite significant effect on marketing strategy and the choice to standardize or to adapt. It has been revealed that if the customer profiles across countries are similar, the companies tend to standardize the marketing strategy, and vice versa.

(4) competition factors as defined by Theodosiou and Leonidou (2003) include the structure, nature and intensity of competition in foreign target markets. In most of the cases, the structure/nature of competition does not have a huge impact on the decision to standardize or adapt the different marketing mix elements. This is in contrast to other researchers view (eg. Buzzell 1968; Jain 1989; Rosen 1990).

(5) product and industry factors are defined by Theodosiou and Leonidou (2003) as the type of the product, the technology orientation of the industry and the stage of product lifecycle. Technology orientation has been frequently found to have a serious impact on standardizing marketing strategy, due to the need to allocate the vast research and development costs over long production runs (Cavusgil and Zou 1994; Cavusgil et al. 1993). In addition to this, Theodosiou and Leonidou (2003) also found out that product life-cycle significantly affects almost all dimensions of the marketing strategy and they confirmed that in markets where the product is in the same stage of its life cycle the standardized marketing strategy works better. (Theodosiou and Leonidou 2003; Chhabra 1996; Johnson and Arunthanes 1995; Cavusgil et al. 1993.)

(6) organizational factors are those related to the internal company characteristics and consist of four items according to Theodosiou and Leonidou (2003): (a) the nationality of the parent company, where results show that although certain product and advertising aspects are influenced by the origin of the parent office, other marketing strategy parameters were not influenced; (b) the nature of company ownership, where results were non-significant, (c) the firm's international experience (d) the foreign market share

position, where no effect was revealed whatsoever on marketing strategy adaptation (Shoham 1999; Akaah 1991.).

(7) managerial factors are the attitude toward international operations and include the degree of centralization of decision-making and corporate orientation (Theodosiou and Leonidou 2003). The basic belief is that a standardized marketing strategy is more likely to be followed when decision-making is centrally controlled at headquarters, but the results obtained are against each other (eg. Quester and Conduit 1996; Ozsomer et al. 1991). Moreover, Kanso (1992), found that cultural-oriented managers adapt advertising to a greater extent than do non-culturally-sensitive executives.

The study conducted by Theodosiou and Leonidou (2003) pointed out which is the actual degree of standardisation and adaptation of the marketing mix based on the analysis of other empirical studies. The main results of the study are summarized in table 2.

Table 2. Results on the degree of standardisation and adaptation of the international marketing strategy. (Adapted from Theodosiou and Leonidou 2003).

4Ps	Standardization or Adaptation	Reasons
Product	The most standardise: quality, design, branding and features, were the least adapted. Packaging, after-sales service and warranties were slightly more adapted. Product lines were the most adapted element.	(a) the greater incentive to reap the benefits from economies of scale in research and development and production; (b) the desire for rapid diffusion of new products in the market, especially in light of the fact that product life-cycles are increasingly becoming shorter; and (c) the need to achieve better coordination through the application of more uniform internal production controls and quality standards
Price	Mainly adapted, even if moderate due to the lack of flexibility in international firms due	(a) pricing methods/strategies, depending on variations in market size, consumer sensitivity to prices, and competitors' actions or reactions across markets; (b) wholesale prices resulting from differences in the role of wholesalers in the distribution trade of a foreign country. (c) retail prices, being the result of variations in the size, type, and services provided by retail outlets abroad. (d) end user prices, usually affected by demand variations caused by differences in customer numbers, purchasing power, and economic conditions; and (e) sales/ terms, being the result of variations in the company's entry mode, degree of involvement, and response to competitors in overseas markets.

Place	<p>The most adapted: facilities and purchasing and consumption habits. Notably, designing a physical distribution system for international markets requires continuous adjustments because market, competitive and transportation conditions are constantly changing.</p>	<p>(a) the special documentation and ordering procedures required in international product shipments; (b) the availability of transportation facilities to carry goods to and within foreign markets; (c) the number, type, and technology of the warehouses abroad; and (d) the level of inventories needed to be maintained in overseas markets, usually determined by territorial size, infrastructural facilities, and purchasing/consumption habits</p>
Promotion	<p>Just above average levels of adaptation</p>	<p>(a) advertising: language differences, media availability, government regulations, economic differences, and competitors' actions. (b) sales promotions were subject to moderate adaptations, often attributable to variations in legal restrictions, cultural characteristics, competitive practices, and retailers' capabilities in foreign markets. (c) publicity/public relations, caused mainly by variations in the degree of company involvement, the nature and importance of publics, and availability of public relations agencies abroad. (d) personal selling has also undergone mild adaptations in international markets, particularly as regards the recruitment, training, motivation, and control of the salesforce and the way the selling task is performed.</p>

Having this in mind, it is now possible to proceed to the next section where the new antecedent factor will be introduced and explain. For the purpose of this work the previous illustrated results will be used as a basis, as the actual landscape in order to see how the new antecedent factor is influencing the marketing strategy, meaning that the research will be developed only with regards to digitalization. This choice has been based on the need for a greater reliance on past studies to provide higher heterogeneity in the research finding (Theodosiou and Leonidou 2003). Of course, this could be seen as a limitation too, but due time constraints and the nature of this thesis, this is the best option to provide an appropriate contribution, which could lead to further and deeper studies.

3. HOW DIGITALISATION, BIG DATA AND CUSTOMISATION ARE CHANGING THE INTERNATIONAL MARKETING STRATEGIES

This chapter will be the crucial one for the building of the theoretical framework that will be used in this study. This will be done by introducing the different concept of digitalization in order to identify a more narrowed definition in order to provide to the reader the appropriate knowledge. Then, the theoretical framework will be built based also on the considerations made in the previous chapter.

3.1 The definition of digitalisation

Nowadays, it is common to talk, read, discuss the so-called digital transformation and many people talk about digitization and digitalization using these terms in an interchangeable way. Before going through the topic, it is essential to clearly define these concepts to point out the actual different meanings they have, in order to use in this work, the proper definition and in this way avoiding misunderstanding.

With the term digitization, many researchers from different discipline refer to the technical process of converting streams of analogue information into digital bits of 1s and 0s with discrete and discontinuous values. Digitization is a process that has both symbolic and material dimensions. The symbolic dimension is the one explained in the definition just mention, while the material dimension refers to the fact that the information produced can be expressed in many different ways, on many different types of materials, and in many different systems (Brennen and Kreiss 2016.). The fact that digitization mediates between the material and the immaterial (Manoff 2006; Hayles 2003) makes digitization a unique process. Looking at digitization from a business perspective, it is possible to define it as the *“automation of existing manual and paper-based processes, enabled by the digitization of information; from an analog to a digital format.”* (I-Scoop 2017).

Digitalisation, instead, refers to *“the use of digital technologies to develop new business models. moreover, it provides opportunities and new revenue. it can also be seen as a*

process which leads a company into a digital business.” (Gartner 2017.) Digitalization is about systems of engagement and systems of insight, leveraging digitized data and processes (I-Scoop 2017).

For what concern the term digital transformation, today it refers to a broader concept than the notion of digitalization, it is seen as a way to move to digital business. It includes all aspects of business, regardless of whether it concerns a digital business or not, in times when the acceleration of technology adoption and of change leads to entirely new market, customer and business realities, opportunities and challenges, ultimately leading to a new economy (I-Scoop 2017.).

To conclude, all these definitions can be seen as a process that will lead to the creation of a digital business which is a new business design made by blurring the digital and physical worlds (Lopez 2014).

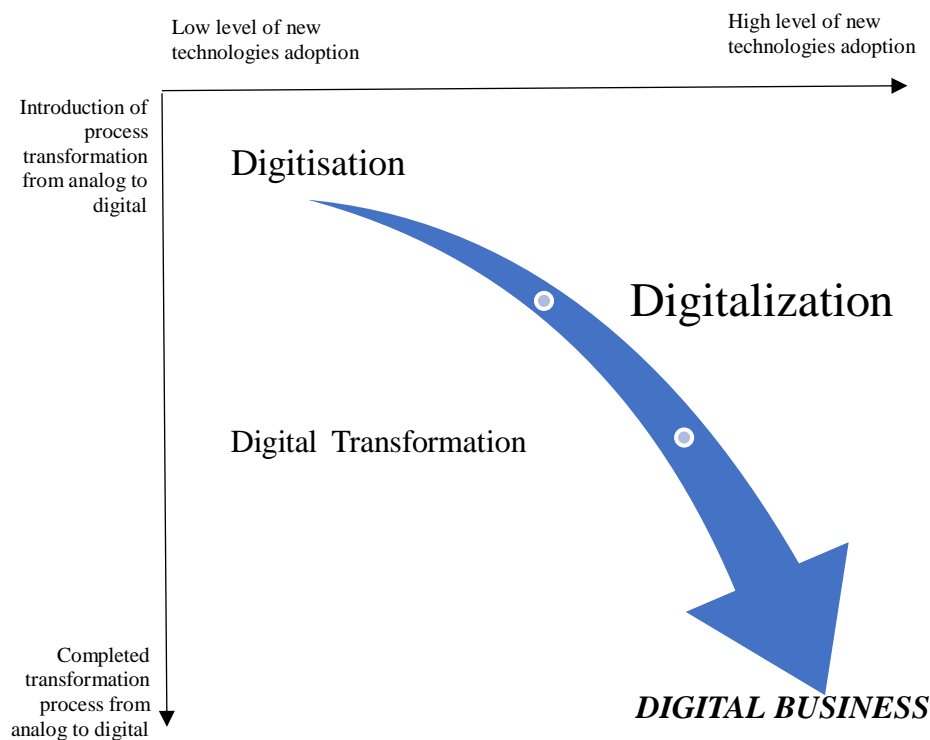


Figure 3. Stage view of the digital transformation.

Having all these definitions in mind, this work will take into consideration only the notion of digitalization. Digitalization is one of the most significant on-going transformations of contemporary society and encompasses many elements of business and everyday life (Hagberg et al. 2016) and as mention before it refers to the use of digital technologies to develop new business models and opportunities. Although the definition used in this study involves all types of digital technologies, the thesis will focus on the usage of big data and the phenomenon of customization. The first one, according to De Mers (2017), represents the biggest trend in online marketing expected for 2018 due to the fact that now they are available also for smaller businesses and will be the key to stay competitive on the market. Customization, on the other hand, is the new retail frontier - according to Finkelstein (2018)- that will change the way customer shop in 2018.

3.2 Big data and their importance in marketing activities

The volume of data continues to double every three years as information pours in from digital platforms, wireless sensors, virtual reality applications, and billions of mobile phones (Henke et al. 2016). The term big data refers to datasets that are so large, unstructured and complex (from social media, sensor, internet-based gadgets data and so on) that require advanced and unique technologies to store, manage, analyse and visualize (Xu et al. 2016; Chen 2012), but this is just one of the various definitions of the notion of big data. De Mauro et al. (2016) collected in their work the most used definition of big data that can be seen in table 3.

Table 3. Definitions of big data. (Adapted from De Mauro et al. 2016).

Source	Definition
Shneiderman (2008)	A dataset that is too big for a screen.
Manyika et al. (2011)	Data sets whose size is beyond the ability of typical database software tools to capture, store, manage and analyse.
Beyer and Laney (2012)	High volume, velocity and variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision-making.
Boyd and Crawford (2012)	A cultural, technological and scholarly phenomenon that rests on the interplay of technology, analysis and mythology.
Chen et al. (2012)	The data sets and analytical techniques in applications that are so large and complex that they require advanced and unique data storage, management, analysis and visualisation technologies.
Fisher et al. (2012)	Data that cannot be handled and processed in a straightforward manner.
Intel IT Center (2012)	Complex, unstructured or large amounts of data.
Schroeck et al. (2012)	Big Data is a combination of volume, variety, velocity and veracity that creates an opportunity for organisations to gain competitive advantage in today's digitised marketplace.
Dijcks (2013)	The four characteristics defining Big Data are volume, velocity, variety and value.
Dumbill (2013)	Data that exceed the processing capacity of conventional database systems.
Mayer-Schönberger and Cukier (2013)	Phenomenon that brings three key shifts in the way we analyse information that transform how we understand and organise the society: 1. More data, 2. Messier (incomplete) data and 3. Correlation overtakes causality.
Microsoft Research (2013)	The process of applying serious computing power, the latest in machine learning and artificial intelligence, to seriously massive and often highly complex sets of information.
Ward and Barker (2013)	The storage and analysis of large and/or complex data sets using a series of techniques including, but not limited to, NoSQL, MapReduce and machine learning.
NBD-PWG NIST (2014)	Extensive data sets, primarily in the characteristics of volume, velocity and/or variety, that require a scalable architecture for efficient storage, manipulation and analysis.
Suthaharan (2014)	Can be defined using three data characteristics: cardinality, continuity and complexity.

For the purpose of this work the definition that will be used is the one by Schroeck et al. (2012) because it allows the reader to understand its meaning without including too many IT details which are not relevant for the thesis and include a business perspective.

Big data are characterized by 4 main characteristics (Morabito 2015; McAfee and Brynjolfsson 2012; Pospiech and Felden 2012): Volume, Velocity, Variety and Accessibility.

The Volume represents the quantity of data that is available and can be stored thanks to the Internet (Morabito 2015). Then we have Velocity which regards the dynamics of the volume of data and in the case of Big data is time-sensitive. For what concerns the Variety, is the dimension about the type of data, which for Big Data are both structured and unstructured. The Accessibility, on the other hand, regards the unmatched availability of channels that a company can increase its own data and information asset. In the last years, it has been added a fifth dimension which is the Veracity that is about the quality and trust of the data (Morabito 2015.).

As mentioned in the previous section, big data is the biggest expected trend in marketing for 2018 (De Mers 2017) and in order to understand the reason why it is necessary to investigate firstly, what is the connection between big data and marketing and secondly, which are the benefits that comes from the use of big data in international marketing activities.

“Big data are worthless in a vacuum. Its potential value is unlocked only when leveraged to drive decision making.” (Gandomi and Haider 2015). In order to leverage to drive decision making it is necessary to extract insights from big data. This process can be done in five phases (Labrinidis and Jagadish 2012) that can be seen in the figure number 4.

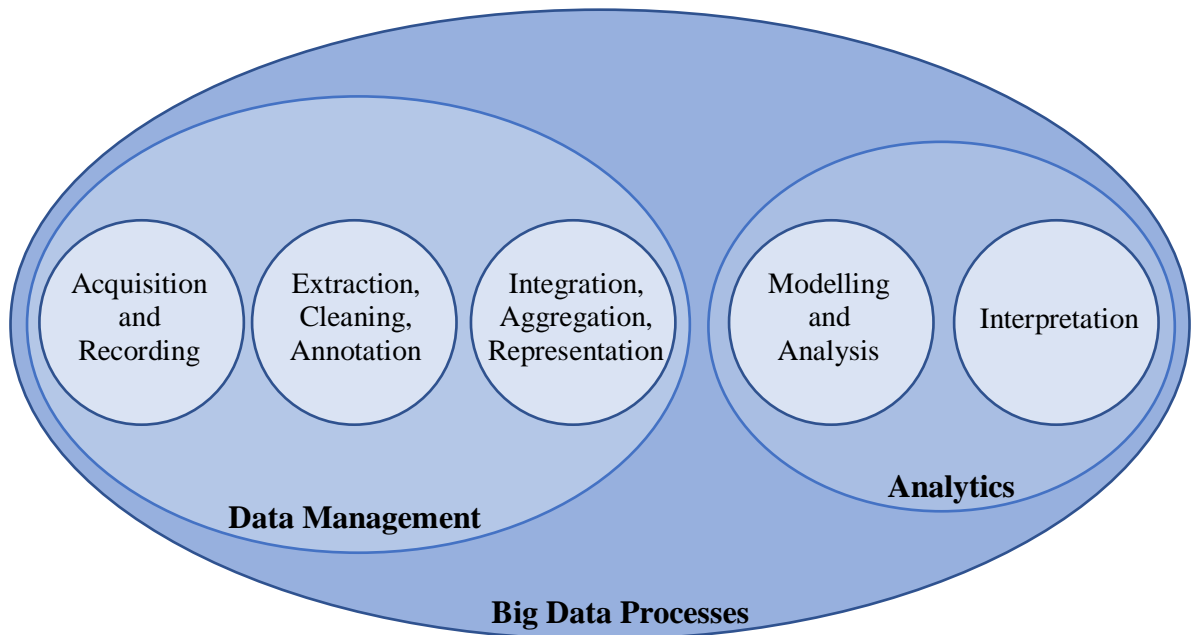


Figure 4. Five phases Big Data Insights. (Adapted from Gandomi and Haider 2015).

As it can be seen in the figure number 4 there are two main processes that are data management and analytics. The first one includes all those activities to acquire and store data to prepare it for analysis. And then the analytics includes all those techniques used to analyze and to gather insight from big data (Gandomi and Haider 2015).

The existing big data analytics are a high number that can be divided into macro areas that are summarized in the table below.

Table 4. Types of Analytics (Adapted from: Gandomi and Haider 2015).

Text Analytics	Those techniques that extract information from textual data. Social network feeds, emails, blogs, online forums, survey responses, corporate documents, news, and call center logs are examples of textual data held by organizations. Text analytics enable businesses to convert large volumes of human generated text into meaningful summaries, which support evidence-based decision-making.
Audio Analytics	They are used to analyze and extract information from unstructured audio data. It helps to improve customer experience, evaluate performance, increase sales turnover, monitor compliance, gain insights into customer behavior, and identify product or service issues.
Video Analytics	It involves a variety of techniques to monitor, analyze, and extract meaningful information from video streams. The primary application of video analytics in recent years has been in automated security and surveillance systems. Another potential application of video analytics in retail lies in the study of buying behavior of groups.
Social Media Analytics	They refer to the analysis of structured and unstructured data from social media channels.
Predictive Analytics	They are used to predict future outcomes based on historical and current data. They can be applied in almost all the discipline. In practice, predictive analytics can be applied to almost all disciplines and they seek to uncover patterns and capture relationships in data.

In marketing, data analysis has always been used, but the amount of data was smaller, and it is quite incomparable to the amount of data you can gather today. For this reason, big data are a huge opportunity for marketers, not as big data as such, but for all the insights it is possible to discover.

Integrating the traditional marketing strategies with big data analytics means having a huge impact in key areas as customer engagement, customer retention and loyalty and marketing optimization. In the first area, big data allow gathering more information about the customer, which means knowing not only who he/she is, but also where he/she is, and what he/she wants. For what concerns the second area, big data can be used to discover what influences customer loyalty. Then, for marketing optimization, big data can determine the optimal marketing spend across multiple channels, optimize marketing programs through analysis (SAS 2018.).

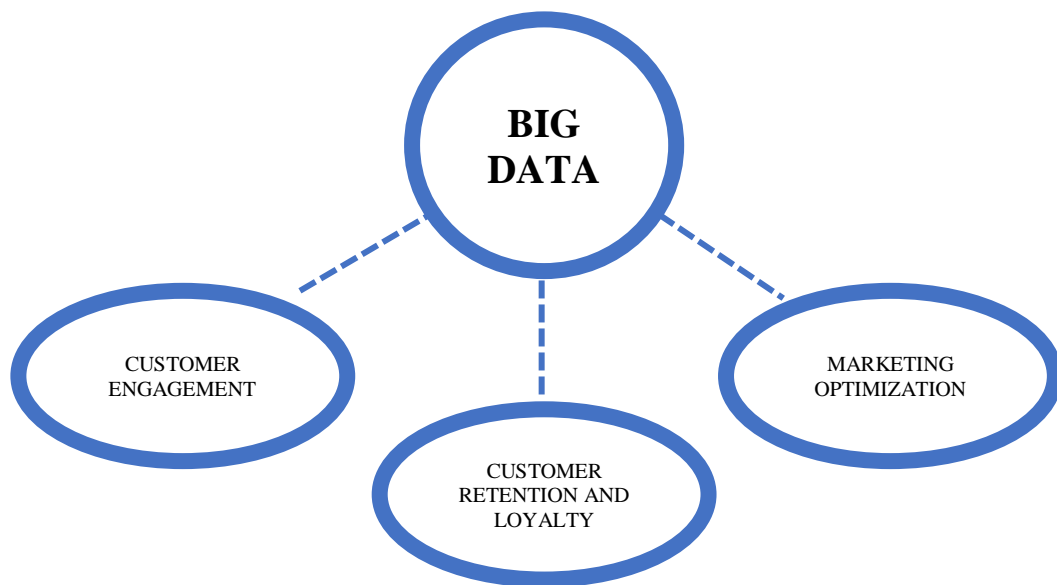


Figure 5. Benefits of the use of Big Data in Marketing.

In addition to this, Xu et al. (2016), illustrate that a combination of traditional marketing analytics with big data analysis generates a knowledge fusion which leads to new product successes.

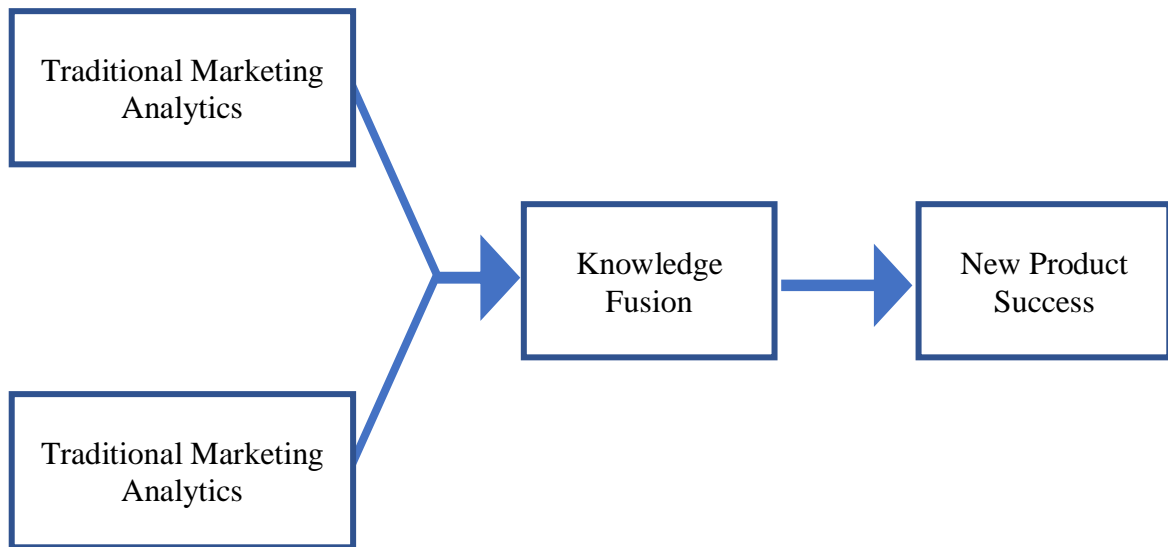


Figure 6. Knowledge fusion process (Adapted from Xu et al. 2016).

After these considerations, it is clear that big data represents a huge opportunity for marketers and it has the potential to impact nearly every area of marketing. Of course, a huge opportunity means also big challenges, but the benefits overcome the issues, so it is a good trend into which invest. Those companies that will fail in building the resources and capabilities to effectively use Big Data will be challenged to survive the Big Data revolution (Erevelles et al. 2016).

3.3 The use of new technologies and the spread of customization

Mass production, which is the production of low-cost products through large-scale manufacturing where the varieties offered by such production is very limited (Hu 2013), has been the established manufacturing paradigm for nearly a century because it was the appropriate answer to the need of the continuously increasing population around the globe (Mourtzis 2016), but later on in 1980 this tendency slowed down and according to Chryssolouris (2006) we overcame that era and we moved to one of the market niches. This era is characterized by short development cycle yielding low cost and high-quality

goods to meet the customers' requests which are truly unique products tailored to their individual taste (Mourtzis 2016; Chryssolouris 2006.).

Therefore, it has been introduced the concept of mass customisation which refers to the production of individualized goods that do not have the premium price that characterized the crafted customized products (Victor and Boynton 1998; Hart 1995; Westbrook and Williamson 1993). In addition to this, mass customization is the practice of treating customers as integrated entities in the product design and development cycle instead of only buyers. In this customer-driven environment that is shifting towards online purchases and market globalisation, companies have a huge opportunity to increase their profits and the same time a great responsibility for providing to the customers what they want (Mourtzis 2016.).

Table number 5 highlights the main differences between mass production and mass customization and it clear that the main difference is the role of the customer which is no more passive but plays an active role from the design phase until the end. The opportunities for mass customization are acknowledged as fundamentally positive by theoretical and empirical studies for many years (Piller 2004).

We are now facing an era where the demand for personalization comes from both the demand and offer side. From the demand side, we have customers which require the possibility to personalize the products they want to buy due to the fact that nowadays this kind of service is cheaper. From the offer side, personalization is made possible thanks to new technologies which are enabling the companies to reach the single customer and to satisfy their needs in a more precise way and at the same time enabling them to produce customized products at a really lower cost. According to Abnett (2015) from Business of Fashion, avoiding excess inventory represents a major advantage of mass customization for those companies which have to deal with a hard-predictable demand because with mass customisation the companies start the production after the consumers' purchase of the personalized product.

Table 5. Differences between Mass Production and Mass Customisation (Adapted from Forrester Research 2011).

Parameters	Mass Production	Mass customisation
Goal	Deliver standardized good and/or services with low price	Deliver varied goods and/or services to fulfill specific customer groups with different needs and requirements. The companies are trying to offer these products/services at a low unit cost
Product feature ideation	Company	Individual customers
Product design activity	Internal	Point of sale, e-commerce
Go-to-market	Push	Individual choice option
Differentiation	Time-limited	Individual customer ideas
Customer needs	Determined via research	Determined by the individual
Customer involvement	Passive	Active

Applying the latest Internet technology has not only made it both more economical and simpler for customers to purchase individualized products, but also allows retailers to add variations to designs and flexibility to production without increasing cost (Yoo and Park 2016; The Wall Street Journal 2015; Randall et al. 2005)

New technologies, not only enable the company to lower the production costs of customized products but they also allow the customer to be even more actively in the designing phase which is no more just choosing a personalized colour but includes personalization of the product itself. This transformation has generated an effect called “I designed it myself” which, according to Franke et al. (2010), is the fact that a customer is willing to accept a lower-quality outcome, at the same price of product designed by an expert just because the customer feels like the originator of that product. With the spread

of e-commerce, this effect has exponentially grown and nowadays on the internet it is possible to buy many different products that the customer can personalize just before the online order. (Franke et al. 2010.).

“Consumers expect real-time, customized everything at any touch point.”

PricewaterhouseCoopers and TNS Retail Forward (2015).

The incredible growth of customization has brought the attention of many researchers in the past years and Marketing Science Institute has included customization-related topics in its 2010–2012 research priorities. Indeed, the numbers of academic papers (for example Franke et al. 2009; Levav et al. 2007) have exponentially increased in the recent years (Miceli et al. 2013) but, this phenomenon is changing and growing so fast that new studies are still needed. For this reason, this work will include this phenomenon among the investigated one to obtain interesting and stimulating results that could be useful for further studies.

3.4 Summary of the theoretical framework

As the main aim of this work is to investigate what is the influence of digitalization – in the terms that have been defined in the previous section – over the international marketing activates, a theoretical framework on which building the next part of the work is necessary.

In this case, it has been used -as a starting point- the model that has been explained in the first chapter of the literature review. Then, it has been excluded the part regarding the effects on the company’s performance because it does not represent the goal of this thesis. Then among the antecedent factors, it has been added digitalization, that in this works is represented by the biggest trend expected for 2018 which are Big Data (De Mers 2017) and the use of new technologies for customization (Finkelstein 2018). This choice represents both a limitation and an opportunity because of course digitalization is a bigger and wider concept, but due to time constraints and the nature of this work we decided to opt for a more precise work, with a narrow focus on only those two phenomena, leaving

room to further studies that could analyze other aspects of digitalization to start building a wider literature regarding this novel, important and hot topic.

This work will investigate only the effect of digitalisation over the international marketing strategy, without re-analysing the other antecedent factors. It is possible to have a concise look at the adapted model on which the theoretical framework is built in the figure number 7.

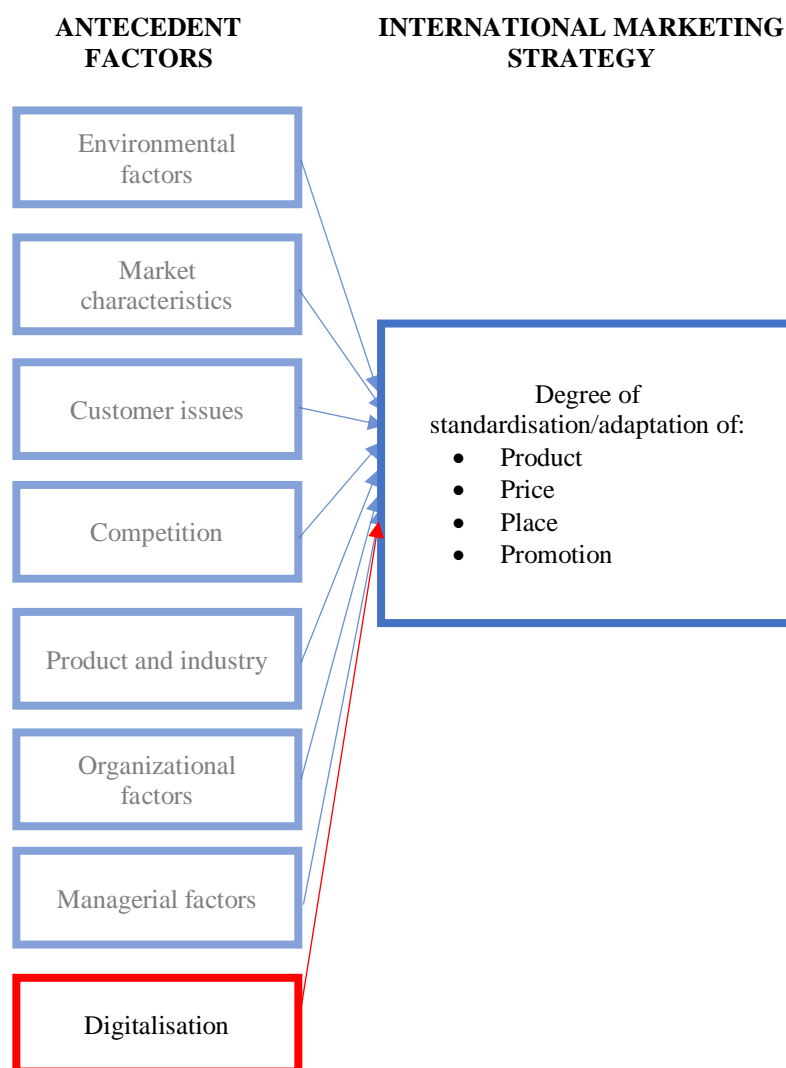


Figure 7. Theoretical Framework (adapted from Theodosiou and Leonidou 2003: 143).

In the previous sections, we analysed what is the connection of those phenomena with marketing, we pointed out which are the benefits of using them and the challenges that the companies have to face. This first part has been crucial to understanding those phenomena are impacting in a sensitive way the international marketing activity.

Having this in mind, in the next sections – the empirical ones- we will investigate more in detail what kind of impact they are having over all the four components of the international marketing mix, in order to find out what is happening in terms of the degree of standardization and adaptation of the international marketing strategies.

What it is expected is that the classical dualism of standardization and adaptation has been exceeded because it was based on a market perspective, while today due to the customer centricity there is a persona perspective, which is influencing all the international marketing decisions.

More in detail, big data is a tool that can generate a lot of hidden insights which allows companies to understand better what the customer thinks of their brand, how they react, and it also allows to lower the cultural barriers to better known possible new customers. Then we have customization which is a way to engage more customers, letting them undergo a better a more targeted experience.

4. METHODOLOGY

This chapter will clarify which methodology has been applied in this work. In this section, the author will describe the research approach, the data collection, the sample and the data analysis method used. Last but not least, considerations regarding the validity and reliability of the study will be made.

4.1 Methodological approaches

The research purpose of this thesis classifies it as an exploratory study which means discover what is happening; to seek new insights; to ask questions and to assess phenomena in a new light' (Robson 2002: 59). In fact, the purpose of the work is to clarify the relationship among digitalisation and the degree of adaption and standardisation of the international marketing activities.

Looking at research philosophies it can be seen as a term related to the development of knowledge and the nature of that knowledge, the research philosophy is significant due to the fact that it encloses the assumptions regarding *“the way in which the researcher view the world”* (Saunders et al. 2009.).

This thesis can be catalogued under the realism philosophy since this phenomenon occurs “independently of human thoughts and beliefs but is interpreted through social conditioning” (Saunders et al. 2016).

For what concerns the research strategy, the thesis will include –as the empirical part- a case study. More in detail, it will be used a multi-case approach to verify if the findings occur in all the companies interviewed (Saunders et al. 2016).

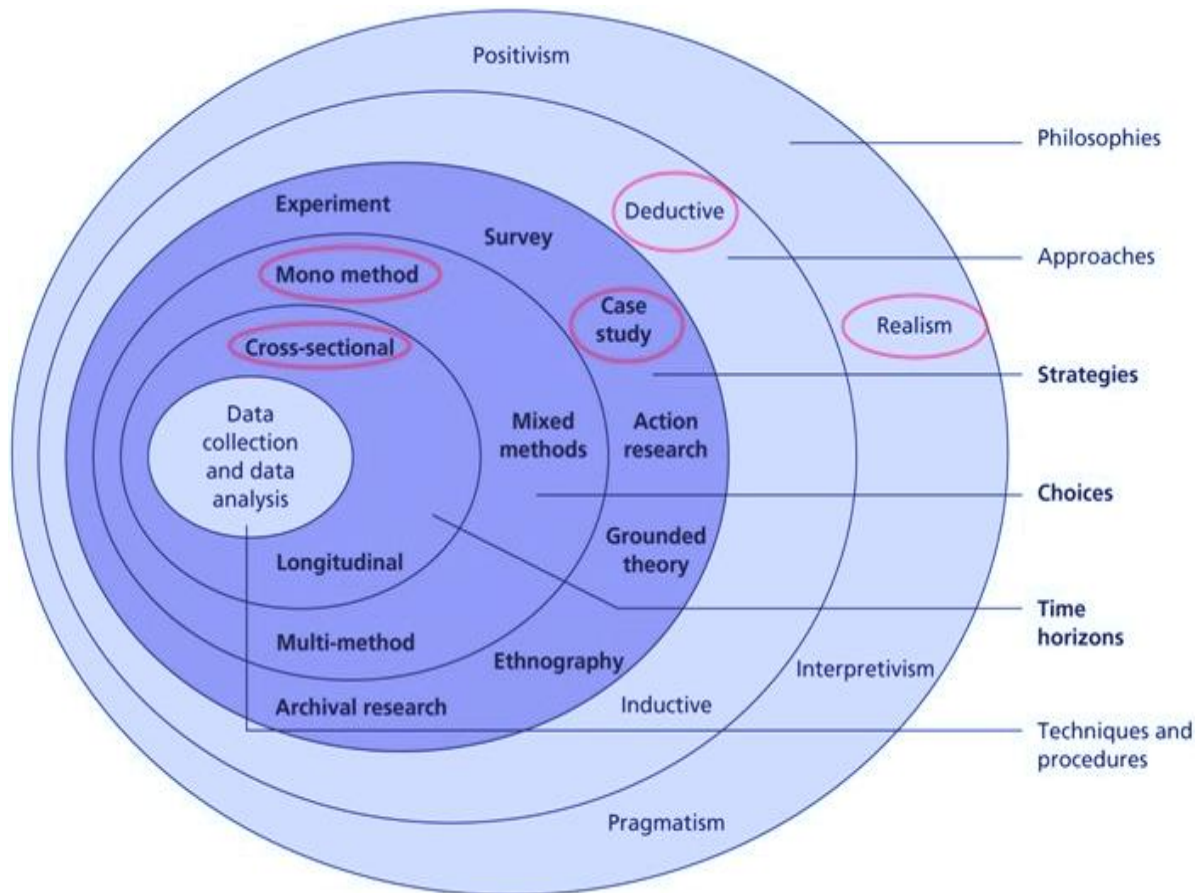


Figure 8. Research Onion (Adapted from Saunders et al. 2009).

4.2 Sample

The sample has been chosen based on convenience combined with self-selection (Saunders et al. 2016) among those footwear companies which have at least 8 years of international activities or those that are classified as born-global which are those business organization that from the beginning get higher international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries (Knight and Cavusgil 2004, Knight and Cavusgil 1996; Oviatt and McDougall 1994; Rennie 1993).

This work analyses the footwear industry, but the focus is only on those companies which are producing shoes for private end customers. This means that work and safety shoe producers will not be considered.

At the beginning of the selection process, the author contacted eleven different companies: Awl & Sundry, AliveShoes, Shoes of Prey, Nike, Adidas, Sperry, New Balance, DIS, Undandy, Timberland and AnotherShoe. All these companies were respecting the selection criteria, but after that only six of them answered due to different reasons as time constraints and company privacy policy, in the end only three gave their availability for the interview. The companies have been reached firstly through their customer service with unsuccessful results, so the author contacted directly via LinkedIn in total thirty-five employees of the selected companies, all of these employees cover managerial positions which are related to digital strategy and/or marketing strategy.

The final sample is composed of 3 companies in the footwear industry from different countries and of different sizes. They all produce customized shoes and some of them are using big data in their marketing activities.

The choice in choosing the sample companies has been focused on finding those people willing to speak freely to obtain high-quality results (Malhotra and Birks 2007: 63). In some case, the person contacted through LinkedIn has not been the one interviewed because a more prepared person has been suggested. However, this helped to increase the quality of the data collected. The final sample is sum up in the table number 6.

Table 6. Sample.

Company	Headquarter	Manager	Job Position	Main Focus	Nr. of Employees
Awl & Sundry	New York	Mario Lanzarotti	Chief Operating Officer	customized men's shoes	5-10
Nike	Beaverton, OR	Markus Hangelin	Digital Brand Specialist	Sportwear, Sport shoes and sneakers	74.400
Undandy	Lisbon	Sophia Hunt	Communication Manager	customized men's shoes	10-20

4.3 Data collection

This work is investigating the problem through a qualitative data analysis, for this reason we can consider this research a mono-method one (Saunders et al. 2009: 151) Moreover, the thesis is a cross-sectional study due to time constraints and so it represents a “snapshot” time horizon (Saunders et al. 2016).

The data collected are both primary and secondary. The first ones have been gathered through semi-structured interviews with employees of footwear industries in a management position -preferably in the marketing departments-. The choice of the semi-structured interview is due to its characteristic of being more flexible, to obtain in-depth answers and to be able to adapt the interview based on the context (Saunders et al. 2016).

Due to the limit size of the sample, no test interview has been conducted, but to maintain a good level of reliability and validity of the work (Saunders et al. 2016), it has been asked to the company the opportunity to ask further questions in case some changes were necessary. After the firsts interviews, it appeared that changes were not required and so all the interviews have been conducted following the original draft.

For the interviews, companies have been contacted firstly using the customer care e-mail, but it brought only negative responses. For this reason, we proceeded to search for relevant managers of the selected companies on LinkedIn and firstly, establish a connection with them, in order to be able to send to them messages. This solution has been the successful one.

For what concerns the interviews themselves they have been all conducted through Skype which is the best option to conduct the interviews is via Skype because it allows to see facial expressions and according to Talja and McKenzie (2007: 102) “paralinguistic cues such as gesture, facial expression, and tone of voice can both convey emotion and provide the hearer with clues for interpreting the meaning of an utterance”.

The secondary data that are included in the work are multiple-source type and they include all the information about the companies interviewed that are available on their websites. This choice has led to the development of more appropriate questions for the interview and these data help to build a suitable background description of the firms analyzed.

4.4 Semi-structured interviews

For this work, the use of qualitative data was the best choice since it allows obtain rich and wider information to be explored as close as possible to the reality (Robson, 2002).

The choice of using semi-structured interviews was undertaken for their characteristic of being more flexible compared to structured interviews. In addition to this, with kind of interview, it is possible to obtain in-depth answers and to adapt the interview based on the context (Saunders et al. 2016). Last but not least, the questions were open-ended in order to gain the richest and longest answers (Saunders et al., 2016).

As mentioned in the section before, due to the fact that the selected companies were chosen on a worldwide base, the tool uses to do the interviews was Skype. All the companies included in the study have been contacted and interviewed in March and April

2018. The interviews were conducted in all in English, so no further translation has been required, but all of them have been checked with the managers after being transcribed. Even if the interviews did not follow a strict structure, were mainly based on the topics area concisely summarized in the table number 7.

Table 7. Topic area of the semi-structured interviews.

TOPIC AREA	INFORMATION ASKED	THERORETICAL CONNECTION
General information	Name of the company, employees, international presence, information about the interviewee	None
International Marketing Mix	Standardization or adaptation of price, place, product and promotion in their international markets	Vrontis and Papsolomou (2005); Jain (1989); Onkvisit and Shaw (1987); Quelch and Hoff (1986); Theodosiou and Leonidou (2003)
Digitalisation	Changes occurred due to digitalization, in which activity these changes had the biggest impact, new projects	Hagberg et al (2016); Lopez (2017); I-Scoop (2017); Gartner (2017)
Big Data and Customization	To know whether they are using big data to generate insights or if they are offering customization services and what kind of results they obtained	Gandomi and Haider (2015); Labrinidis and Jagadish (2012); De Mers (2017); SAS (2018); Xu et al. (2016); Franke et al. (2010); Piller (2004); Mourtzis (2016); Chryssolouris (2006)
Future/challenges of digitalisation	Biggest advantages and biggest challenges of digitalization, opinion about the importance of personalized experiences, expectation for the future and most important things to take into account when dealing with digitalisation	None

4.5 Data analysis

Qualitative data are characterized by their “*richness and fullness based on your opportunity to explore a subject in as real a manner as is possible*” (Robson 2002). On the other hand, qualitative data can be difficult to be quantified in a meaningful way. For this reason, it is necessary to illustrate results summarizing and categorizing them in order to provide condensed, grouped or restructured as a narrative to support meaningful analysis. (Saunders et al., 2009).

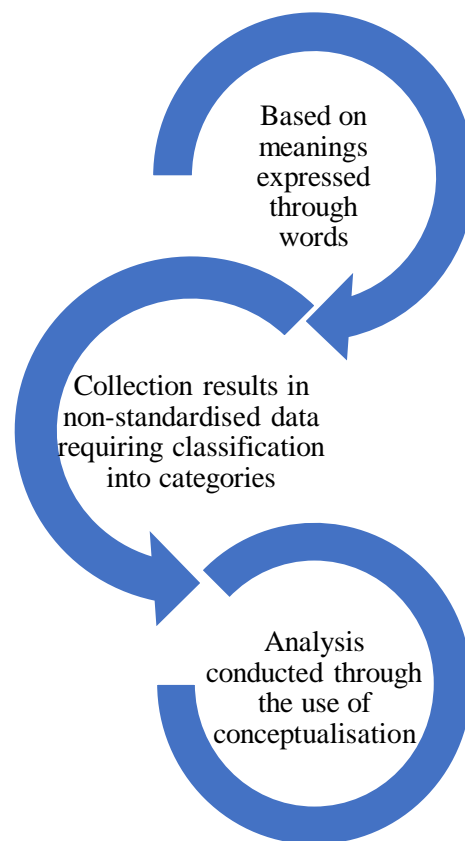


Figure 9. Qualitative Data Characteristics (Adapted from Saunders et al. 2009).

The first source of data is the one that comes from the primary data of the interviews, then some secondary data were used to provide more information regarding the companies interviewed this due to the possibility to find this information online and to focalize the interview on those issues and topics for which no information was provided

on the web. The data gathered during the interviews have been analysed connecting the results to the theoretical framework developed in chapter two and three.

The interviews have been recorded and after that, a transcript of them has been created. During the interviews, we took notes also regarding the body language and the reaction of the interviewees to have additional non-verbal information to analyse. The transcripts have been then read carefully to understand the true meaning of what the interviewee said and to report appropriate results. To increase the precision of the analysis, the previous passage will be repeated to be sure to report the answers in the right way. Some of the answers of the interviews are illustrated through quotation to point out the most relevant points and to allow the reader to understand them. In addition to this, reporting direct quotation increase the meaningfulness of the qualitative data analysis (Saunders et al. 2009.).

4.6 Quality of the study

“Scientific methodology needs to be seen for what it truly is, a way of preventing me from deceiving myself in regard to my creatively formed subjective hunches which have developed out of the relationship between me and my material” (Raimond 1993:55). In order to evaluate the quality of the study reliability and validity are widely used. Reliability regards the consistency of the findings, while validity is about whether the findings are what they seem (Saunders et al. 2016). Reliability and Validity are widely adopted in quantitative research, but this thesis is a qualitative one and for this reason, we will test the quality of this work following Shenton (2004) approach.

According to Shenton (2004) method, a qualitative research needs to be proved to check four different elements: confirmability, credibility, dependability and transferability.

Confirmability states that the results obtained in the study are originating from the subject and not from the researcher. (Shenton, 2004). In the case of this study, the questions have been checked to not influence the interviewee in the way they were formulated. In

addition to this, the open nature of the questions that characterize the semi-structured interview does not influence the results of the interview.

Credibility is the measure to prove if the study is actually investigating what it was supposed to investigate. This thesis bases the interview question according to the theoretical considerations made. Even though, it is necessary to take into account the size of the sample, which is really small and as a consequence lower the credibility of the study.

Dependability refers to the possibility of replicating the study, which -in qualitative studies- depends on the environment, context and participants. For what concerns this thesis, it can be replicated in other sectors similar to the footwear industry, selecting companies which have similar characteristics to the ones used in this study.

Transferability is the possibility to scale the results, which means the possibility to draw the results obtained from a small sample to a bigger environment. In the case of this work, the results are scalable when the context is similar, meaning that the industry should be the same and the managers interviewed should cover similar positions.

Overall, the quality of this study is supported mainly by the way interviews have been structured and conducted. The participants were all willing to speak freely and seemed really interested in answering the questions in addition to the fact that they seemed to be honest in what they were saying. The questions have been formulating in a really open way, to be sure not to influence the interviewees.

For what concern the sample size, it could have been larger, but the focus has been on the quality of the interview rather than the quantity and for this reason, the sample includes only a few companies.

Confirmability	Credibility	Dependability	Transferability
<ul style="list-style-type: none">• Formulation check• Open questions	<ul style="list-style-type: none">• Link between theory and interview questions• small sample size	<ul style="list-style-type: none">• to other sectors• similar characteristics of the sample companies	<ul style="list-style-type: none">• scalable in a similar context

Figure 10. Summary of the quality of the study.

5. EMPIRICAL ANALYSIS AND RESULTS

This chapter illustrates and examines the empirical results of this study. The analysis presented in this section will follow the methodology explained in the previous chapter to be able to answer the research question introduced at the beginning of the study. This chapter will present and discuss the effect of digitalisation over the international marketing activities of the interviewed companies. Finally, the author will link the results obtained with the theoretical framework that has been previously developed.

5.1 The footwear industry landscape

“A shoe is not only a design, but it is a part of your body language, the way you walk. The way you are going to move is quite dictated by your shoes.” (Christian Louboutin)

This quote by Christian Louboutin, a famous French fashion designer, bring to light the huge importance that shoes have in our lives. It is hard to define when the concept of the shoe was born, but the first traces of shoes go back to the prehistory, where shoes were crafted for practical need. Later, the importance of the shoes increased also from a social point of view and still today we are looking for the perfect pair of shoes to walk, to do sport, to work and to go to a social event.

In addition to this, the footwear industry is a really dynamic one which has already been part of a big revolution in the past due to the introduction of specific equipment and machinery. Nowadays technologies and innovation are providing new opportunities every day, the characteristic of this new revolution - also known as industry 4.0 - is mainly the speed at which these changes are occurring, and the footwear industry is able to keep the pace and take advantage of it.

Having this in mind, it is necessary to put into context what have just been said having a look at the size of this market. According to the World Footwear Yearbook 2017, the footwear production is stuck at 23 billion pairs since 2015, after seeing an increase of

15% from 2010 until 2014. The production leader -as it can be seen in figure 11- is Asia with a share of 87% which has not changed from the past years. It is interesting to point out that among the Asian area, China lost 2% production points compared to other countries like Indonesia, Vietnam and India.



Figure 11. World Footwear Production (World Footwear Yearbook 2017).

From a consumption point of view, figure 12 highlights how many pairs of shoes are bought worldwide, and it is clear that the USA, China and India are the top three countries.

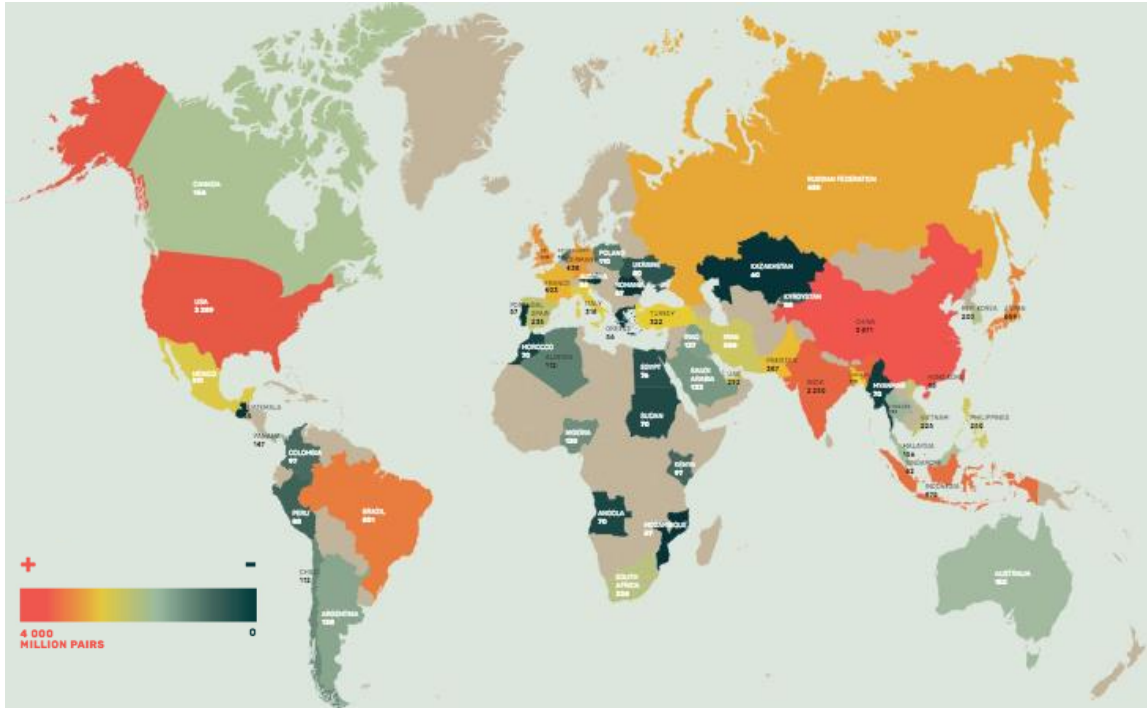


Figure 12. Footwear Consumption (World Footwear Yearbook 2017).

The revenue in the footwear market is about 357,930 million dollars in 2018 and this market is expected to grow annually by 4.2 % between 2018 and 2021 (Statista 2018) which represent an important growth for the sector and leave room for new business opportunities.

Overall, the footwear industry is showing a positive trend and the combination of the market context with the innovation and technological revolution which is happening allows the footwear companies to take advantage of this opportunity to be more profitable and successful.

5.2 The selected companies

This section is needed to allow the reader to have a broader understanding of the results that will be illustrated in the next paragraph. In addition to this, due to the small size of some of this companies, this part is useful to allow the reader to get to know the history

and the main activities of the selected companies. The information provided in this section have been gathered through the companies' websites.

Awl & Sundry

Awl & Sundry is a New York based footwear company which produces customized men's shoes and was founded with the aim to democratize the luxury of bespoke footwear. The idea came from Nikunj, the founder, who was faced with a dilemma that many men share: the fact that he couldn't find a normally priced pair of dress shoes that really fit. He found out that he had to choose between comfort, style and affordability.

Mr Nikunj decided he wanted to change this situation and started looking for an artisanal cobbler who was able to produce a well-made, customized pair of shoes at a reasonable price. During his search, he found out that many big companies obtain really huge markup because the production cost for them is only about 15-20\$. In addition to this, the quality of the materials used is usually not the greatest one and the construction process is harmful to our health and also to our environment.

In the end, Mr Nikunj has been able to find artisanal cobblers who are still employing the age-old process of handcrafting shoes and so Mr Nikunj decided to share this find with all those men forced to walk through life in uncomfortable, mass-produced shoes through Awl & Sundry shoes.

Awl & Sundry is an online e-shop where the customer can design his shoes, starting from defining the perfect size as it can be seen in figure 13 and then choosing the basic style, the design features, the materials, the colour, the soles and other personal customization.

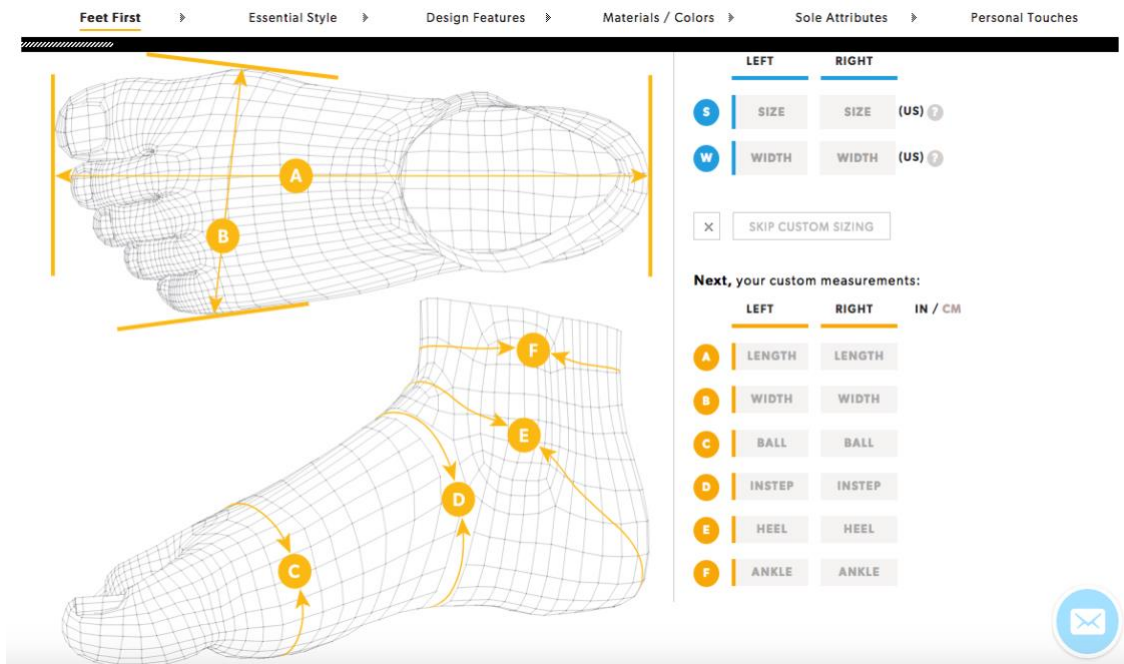


Figure 13. Awl & Sundry E-shop Outlook.

Nike

Nike was founded in 1964, but at that time it was known as Blue Ribbon Sports and initially operated as a distributor for the Japanese shoe maker Onitsuka Tiger (now known as Asics), it became Nike Inc. in 1971. It has become the world's largest brand of athletic footwear and worldwide, the company's products are sold in more than 160 countries

Nike is selling products in 8 different categories: Running, Basketball, Soccer, Men's Training, Women's Training, Action Sports, Sportswear and Golf. For what concerns the athletic footwear products they are designed primarily for athletic use, even though a large percentage of the products are worn for casual purposes.

Nike has always invested in research, design and innovation efforts as key factors their success. Another key element for them is technical innovation in the design and manufacturing processes.

In 2012, Nike has launched a service called Nike iD, which allows customers to personalize the shoes they are buying on Nike e-shop. At the beginning customers were allowed to customize only one model of shoes, choosing only among available styles. Nowadays, the customizable offer is much wider, and the customer is free to choose the style he/she prefers the most as it can be seen in figure 14. In addition to this, the customer can personalize his/her shoes not only online, but also in physical stores which are known as NIKE iD *Studios*.

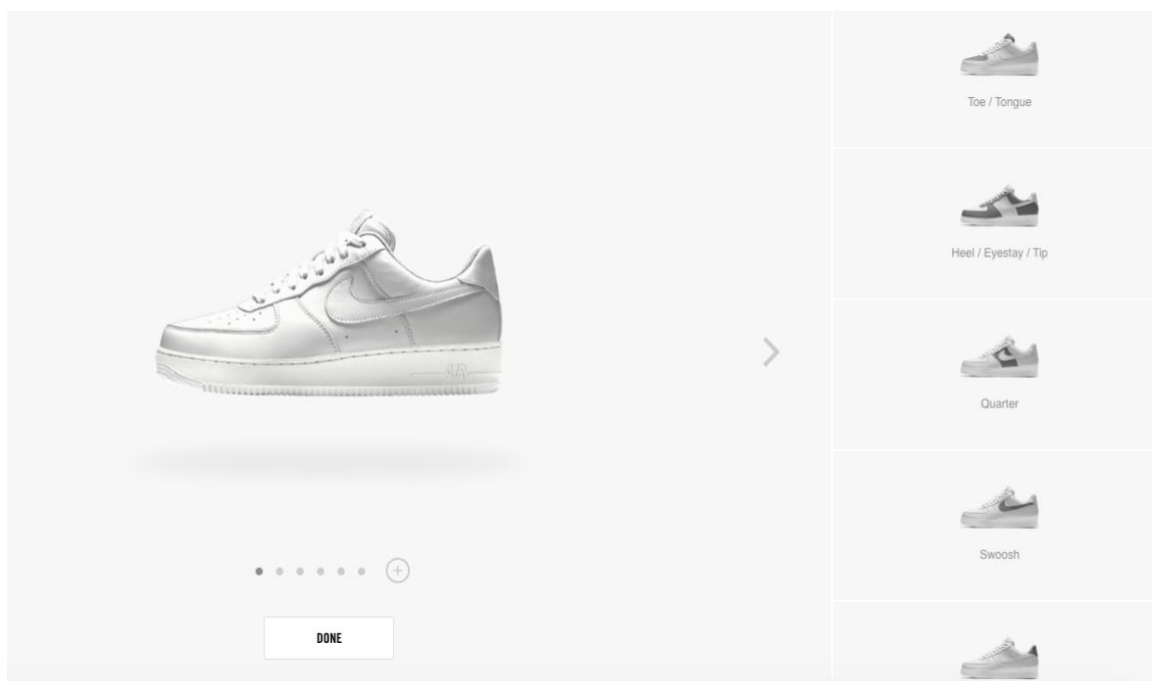


Figure 14. Nike iD website.

Undandy

Undandy is a company which produces handcrafted shoes in São João da Madeira, a really famous city for the footwear industry in Portugal. The two founders of this company are two fashion professionals and the idea of Undandy came from the need to create a unique product to allow men to stand out from the crowd, with high quality, hand-made shoes.

Undandy's key success feature is the combination of handcrafted quality shoes, the possibility to personalize them and the really competitive price. Undandy is selling its shoes through an e-commerce website where the customer can personalize the shoes he wants to buy starting from the type of shoes to the choice of the different colours as it can be seen in figure 15.



Figure 15. Undandy Website.

5.3 The international marketing mix of the selected companies

For the purpose of this work, the choice to adapt or to standardize the international marketing mix refers to the degree to which its elements (price, place, product and promotion) are adapted or standardize to each external market considering all environmental differences, consumer tastes and needs, standards of use, and competitiveness. (Ang and Massingham, 2007; Zou et al. 1997.). For this reason, to better understand the insights, gathered from the interviews and to contextualize them into this work, the author asked for some evaluation regarding the level of

standardization/adaptation of the 4Ps of the international marketing mix of the interviewed companies. In order to obtain comparable results, it has been asked to grade those components on a scale from one to five, where one represents a low level of standardization and 5 is a high level of standardization. In addition to this, the author left room for further comments.

Table number 8 illustrates the standardization degree of all the 4Ps of Undandy which shows that the company has on average a medium-low level of standardization of price, place, product and promotion.

Table 8. Undandy 4Ps.

4Ps	Grade (1= low standardization and 5 = high standardization)	Comments
Product	3	None
The product itself	2	
The packaging	5	
The extra services (shipment, customer care, technical support)	4	
Price	3	The cost for a pair of shoes is between 155 and 230. Additional cost is taken at the checkout depending on the choice of the customer about engraving the shoe or choosing a rubber outsole.
Place	2	None
Promotion	2	None

Looking at the table number 9 which shows the grades provided by Awl & Sundry we see again - on average – a low level of standardization of all the 4 Ps of their international marketing mix. Both Undandy and Awl & Sundry are both born global companies, characterized by their small size, but international presence.

Table 9. Awl & Sundry 4Ps.

4Ps	Grade (1= low standardization and 5 = high standardization)	Comments
Product	1	All the shoes are “made to order”, so they are completed designed by the customer
The product itself	1	
The packaging	5	Same packaging for all the orders
The extra services (shipment, customer care, technical support)	4	
Price	2	There are different options such as the “Spoke service” to meet the requirements our customers
Place	3	
Promotion	3	

In table number 10, the researcher reported the grades given by Nike, which illustrates a different situation from the previous ones. On average, here, there is a high level of standardization for what concern all the 4 Ps of their marketing mix. This is justified by the fact that Nike is not only proving customized shoes, but the Nike iD service is just one of the different service the company provides to their clients. In addition to this, we

need to take into account that Nike is a big and well-established company which was born in a non-digitalized world.

Table 10. Nike 4Ps.

4Ps	Grade (1= low standardization and 5 = high standardization)	Comments
Product	5	Looking at Nike as a whole, because otherwise Nike iD would be a 1 or 2 fore sure
The product itself	5	
The packaging	5	
The extra services (shipment, customer care, technical support)	5	
Price	5	None
Place	4	None
Promotion	4	None

Looking at the tables illustrating the 4Ps of the selected companies, it appears that the smaller ones, the ones that were born with customisation as a key feature tend to adapt more on each component, while Nike, the biggest one still base mainly its marketing strategy on the overall performance where the standardized and most famous products are still a huge part of their marketing focus.

All the selected companies have been influenced by the digitalization, in different ways, because we have for example Nike which has been part of this huge transformation, while Undandy and Awl & Sundry already took digitalization as part of their core business.

Hence, it has been interested to investigate which were according to them the two Ps that are most affected by the digitalization which has been described to me -according to the definition used in this work - as *“the use of digital technologies to develop new business models. moreover, it provides opportunities and new revenue. it can also be seen as a process which leads a company into a digital business”* (Gartner 2017.). The answered received regarding these questions are quite interesting, because the interviewed managers showed different points of view and the most two Ps influenced by digitalization are Price and Promotion (which have been chosen by two out of three of the interviewees) More in detail:

“Price particularly for Undandy as a direct to customer online business. We are able to have customers customize a shoe design online, which is then sent to our workshop to be crafted in two weeks and then delivered direct to the customer. There is no middle man here, so we are able to offer an honest price for handcrafted shoes for both our cobblers and our customers”. (Ms. Hunt from Undandy)

“I would say promotion because It's the new norm that brand communicates via digital channels, therefore all the brand communication and media planning for channels are planned digital first. This is due to reach and accessibility and being able to drive traffic/commerce instantly— since consumers are in the digital channels, that's where the brands are.

Use of influencers / athletes is still evolving very much, since they work as huge traffic and image driver. The link between influencer/athlete and consumer is stronger than brand—consumer link. Now I think we're moving into 2.0 model, where brands start to measure influencer's relevance rather than reach.” (Mr. Hangelin from Nike)

“I would pick price and promotion. Price, mainly because with the digitalization prices have become more transparent, consumer are now more aware, they have more power, they can go in a store and then at

the same time on the internet to look at price of any product. It gives them a much higher bargain power, much more awareness of what goes into the price. We also see higher competition, not only local, but also with foreign companies. It is also more difficult to compete for retail brands against online brand and that affect their revenue. Then my second choice is promotion, meaning all the digital marketing activities that you can do on social media, or through a marketing newsletter, marketing campaign and so on. All those activities that provides you a significant high reach value that would not been possible in the past”.

(Mr. Lanzarotti from Awl & Sundry)

Having this in mind it is clear that companies should really take care of what kind of strategy they are planning to do, because leveraging on these components give them the possibility to increase their engagement rates with their customers “*which nowadays is extremely important. People do not want to just see a message, they want to engage with that message, they want to be part of that message*” (Mr. Lanzarotti from Awl & Sundry).

5.4 The impact of digitalization on the overall business activities of the selected companies

As mentioned before the selected companies have seen changes deriving from the digitalisation, Undandy is a reality that has seen transformations in their marketing mix, in particular on customer knowledge related issues as it can be seen from what Ms Hunt stated:

“Absolutely, digital marketing has meant that we are able to target potential customers with more clarity, but traditional touch points with the customer such as relational marketing are still important to us, so making sure that our clients can both see and feel the brand offline”.

(Ms. Hunt)

For what concerns Nike, they mainly developed new applications built around a membership proposition, which aims to generate more value and serve better Nike's most valuable consumers. While, Awl & Sundry said that the biggest impact they saw, regards the promotional activities. In fact:

“This year video marketing, video story telling has become much more important, Facebook marketing has changed as well, you need to be more creative, more engaged. It makes the job a little harder to do because you have to understand what does your targeted customer likes, where does it lives, you really need to take your clients by their hand across multiple channels and be part of his life, but when you figure it out – I think – it increases your own benefits. What is important to remember is that you need quality instead of quantity especially on social media”. (Mr. Lanzarotti from Awl & Sundry)

According to all of the managers interviewed these changes can be seen as positive, and they all agree that the biggest impact regards the relationship with their customers, because, in the end, what matters is to engage them. More in detail:

“Absolutely positive, we can be more specific and analyse data more efficiently to improve our advertising and make any necessary strategic changes. We can also test campaigns before launching to optimize impact.” (Ms. Hunt from Undandy)

“I think all the efforts has been mainly positive changes to drive commerce, but also expanding how Nike approaches its consumers. Think of NikeTraining or Running app, that is not commerce app, but engages consumers with the brand and gives data that can be used for commercial opportunities.” (Mr. Hangelin from Nike)

The general impression that the author had from this question is that managing a digitalized business is not easy, but overall, the benefits that the use of all these new tools and techniques are bringing overcome all the effort and hard work required.

5.5 Big Data and Customization in the selected companies

Having what has been said in mind, the interview led to more specific questions about the two phenomena analysed in this thesis: big data and customization. These two phenomena brought to different results. For what concerns, big data neither Undandy and Awl & Sundry are using them.

“At this stage no. We only have a CRM, where we collect information about our clients. But even those kind of data are helping us to have an understanding of who our customers are, where they come from, yes definitely helping!”. (Mr. Lanzarotti from Awl & Sundry)

In addition to this, both managers added that they are aware of the importance of big data and as soon as they will be ready, they will use them to generate insights which could help them to understand the needs of potential customers which at the moment are not targeted. While Nike is more familiar with big data. In fact, they are using them mainly to reach in a more precise way their customer. Mr Hangelin stated that:

“There's dedicated Consumer Knowledge function inside Nike, who can pull data across Nike channel's and applications. It's common to identify a target group who has affinity for certain product, which gives more personalised/relevant message, or measure the performance of sent offers and content.” (Mr. Hangelin from Nike)

Mr Hangelin has also been asked to identify the three biggest advantages and challenges of using big data which highlighted the fact that the use of big data analysis can help the company to target the appropriate customers, finding new business opportunities and providing more customized experience to engage more the customer. On the other hand, Mr Hangelin reiterated the data access and privacy issues, the resource requirement, the

complexity of the analysis itself. To allow the reader to have a better understanding of this, Mr Hangelin's answers have been reported in table number 11.

Table 11. Advantages and Challenges of big data (Nike).

Advantages	Challenges
Targeting and reaching the right audience	Resources and access to the right data (the organisation needs lots of resources to be able to first measure, then take advantage of the right data. This especially if it's the Brands own digital channel, where everything needs to be built / setup)
Tapping into business obstacles and unmet needs, identifying new opportunities, and measuring impact,	Data regulations / privacy issues (e.g. data sharing with strategic partners),
Personalized experiences and services (e.g. personalised feeds and offers)	Process: it can be challenging to setup the process to be flexible enough and align with different Brand functions

For what concerns the customization topic, the interviews showed that all the manager are aware of the impact customisation is having on their business performances. Undandy is really proud of the new concept of luxury they are promoting all thanks to customization. More in detail Ms. Hunt wanted to point out that:

“In an age of mass production, new modern luxury can now be seen as handcrafted and customizable products. Undandy was pillared on this growing trend. It is a natural evolution with luxury always needing to retain scarcity.

Luxury, as a concept, has always been pillared on exclusivity, but now with the saturation of mass production, the industry had to search for a new type of exclusivity, in essence - to own something truly unique.

Nowadays being unique is having the thing specially made for you. This desire for uniqueness has come at the same time as technology has

allowed us to do so. The human desire for self-expression. So, although our shoes do not have a luxury price tag, owning a pair of handcrafted, custom designed shoes is really the definition of the concept. Clients not only want tailor made product offerings, they now expect it.” (Ms. Hunt from Undandy)

From this quote, it emerges the importance of customization for Undandy’s business activities. On the one hand, this service is offering the possibility to lower the production costs and the selling costs, then it allows to remove the market target and last but not least it fulfil all the requirements asked by the customer. On the other hand, it is a sector difficult to scale, which imply dealing with online shop related problems such as returns, shoe fit problems and so on. Table 12 reports the comments made by Ms Hunt.

Table 12. Advantages and challenges of Customization (Undandy).

Advantages	Challenges
Being able to create a luxury product without the high price tag	Scalability is a challenge, our production is pushed, we went from selling 100 shoes a month to over 1500 per month, so this exponential growth is hard to predict and puts pressure on production
We can sell worldwide, our products are not market specific. If we look at the shoes the US market designs, they are not the same as what the European market is designing, it’s not the same as the Arab market is designing, that’s actually quite unique about Undandy as brand. We allow the tools for each culture, to express themselves.	Dealing with returns, we have a low rate for the market so are able to offer free returns and exchanges but this obviously is a risk area for personalised products in general
Not being dictated to by trends in fashion, we are not slaves to trends, as our clients create their own product.	We have to limit the concerns of buying shoes for the first time online for many of our potential customers through customer care and knowledge.

The focus of Nike on this topic is different from the one of Undandy. In fact, the emphasis is more on being able to engage more the customers and offer to them some true experience. Mr. Hangelin pointed out that:

“When Nike iD came to market over 10 years ago it was revolutionary. Obviously, there must have been an untapped business opportunity, that can be scaled across the globe by giving the consumers unlimited options to different designs and engaged with their most loved shoe franchises. In addition, Nike could use that as differentiator from any of its retail partners, since Nike iD is Nike-channel-exclusive. Since the past 6 months, Nike has created numerous of events around shoe and apparel in the key markets where Nike invites consumers to workshops where they can personalize their shoes any way they want basically. It's a nice example of integrating physical and digital, and tapping into a huge cultural trend around customisation and creativity. Ultimately, it's offering a product with an experience” (Mr. Hangelin from Nike)

Mr Hangelin pointed out the advantages and challenges of customization according to Nike, which are in line with Nike’s perspective on customisation and those comments are reported in table number 13.

Table 13. Advantages and challenges of Customization (Nike).

Advantages	Challenges
Creating more value and more impactful long-term relationships with consumers	Efficiency and setup: being able to create personalized services and/or products can be very time-consuming process—therefore it can be challenging to hit a brand initiative according to seasonal brand plan
Consistency and being of the moment - the brand needs to be there when it matters most for the consumer	Scalability: it's really difficult to create high-level personalized services/element that can be scaled, since usually there's a physical element to it (product, event, one-off experience)
Better utilizing the current brand assets, e.g. products, services, and influencers, retail personnel/spaces for personalized experiences. E.g. think of NikeID, 1-on-1 sessions at Nike retail or online with Nike experts, Nike workshops at retail,	Resource and business: Being able to innovate Brand plans (usually needs tiered approach: 1) exclusive, 2) everyone/volume) to keep it fresh for consumer (incl. competitors imitating), and keep the initiatives profitable (brand vs. business value)

Regarding Awl & Sundry, customisation is at the core of their activities as it is for Undandy, but what emerged from the interview is that in this case, the focus is more on the unique idea they had on the novelty of their business. This because Mr Lanzarotti pointed out that:

“When we started doing what are we doing the only customisation service existing was Nike iD or Adidas, but no one else in the dress shoes sector. We found that many men has issues finding s properly fitting pair of shoes at a reasonable price because you can buy a pair of Ferragamo or Gucci shoes 1 thousand dollars, but you get a standard size and maybe it does not fit you properly.” (Mr. Lanzarotti from Awl & Sundry)

Mr Lanzarotti pointed out the success they had working on this opportunity at that time, but he also stated that other companies ,later on, copied their business idea, but they failed. Hence, it has been really interesting to ask him about the advantages and challenges of this kind of business according to him. His comments are reported in table number 14.

Table 14. Advantages and challenges of Customization (Awl & Sundry).

Advantages	Challenges
You can create much higher value for the client, because in his eyes you are creating something specifically made for him	It is a very complex process, especially when it comes to shoes, because there are so many points that need to be take in consideration.
Cost-efficiency because you do not need to store your products, you do not need to create inventory. You only spend money when the products are being ordered	It is much more difficult to scale, because you have a custom product that is supposed to scale a mass product sector
Engagement with the customer, you are able to find out what your client is really thinking, you have access to direct feedback. The client is giving a lot of insights about his life while purchasing a customized product	Working with other retailers, meaning it is hard to anticipate how much money you are going to get, which is both positive and negative at the same time, because from the retail side there is a high degree of involvement because the product is so special, and you need to be sure they are well trained, otherwise the product will not be successful

According to Diorio (2016) *“Delivering personalized experiences to customers is clearly a top priority of marketers.”* The author wanted to test this sentence with the managers to see their reactions and they all show total understanding and sharing of that concept:

“Absolutely this is how we run our business. Each client has a personalized product that they have created using our online design platform, but this also relates to how we market and deal with our clients on social media, email and personal touches. As individuals. Wherever we can we will send handwritten notes, or experiences to our clients”. (Ms. Hunt from Undandy)

“The consumer has more power than ever, and the consumer sees themselves as brand— therefore brands should look into how they can be conspirators and amplify what they do, in more targeted manner. On a Brand level this means shifting the brand's focus and efforts into key cities and personalizing the brand plans according to each market”. (Mr. Hangelin from Nike)

Overall, people are now - through digitalization - more aware of what is happening in the world, how brands are producing and creating all of the products they are selling and customisation is the way of engaging with the client and create closer relationships.

5.6 Expectations for the future

One of the main characteristics of the digitalization is the speed at which it brings changes to the business environment, for this reason even in two or three years things will drastically change. The author decided to investigate about the expectations that the interviewed managers have about it and even if it is really hard to say what will happen in the future, one aspect seems to be clear: customers will gain more and more power and will be more and more at the centre of marketing activities. In detail:

“In the fast-paced, ever evolving, modern world, it's totally unpredictable where this company can end. Our vision is to become the reference for direct to customer, customisable brands in men's footwear as well as expanding our current product offering.

But nowadays, more than ever, companies have to add value to society or to their consumers, the profit has to be simply a by-product. We want to revive traditional values and appreciation of fine craftsmanship through modern technology and ultimately inspire men to walk in the footsteps of great men.” (Ms Hunt from Undandy)

In addition to this, according to Mr Hangelin from Nike, the trend will be toward personalization of the total online experience of the customer:

“Extended products: e.g. Nike Connected Jersey—with personalized digital service tapped into a physical product— which can also increase brand partnerships and Personalized ecommerce platforms: e.g. more and more webshops will introduce fully dynamic, personalized product assortments based on the user preferences—which becomes standard”.
(Mr Hangelin from Nike)

Last but not least, there will be an integration of new technologies as the 3D printing and new apps for the 3D scanning. In fact, Mr Lanzarotti stated:

“For sure is 3D digital printing. I see this becoming more and more affordable for the individual, so that people can actually have their own 3D printer at home and use this to print out whatever they want. Personalisation take hold in personal households. I also see the insurgence of apps for 3D scanning. We are working right now with an app company where people can scan their feet and then get a very recommendation about the best fitting size.” (Mr Lanzarotti from Awl & Sundry)

In the previous paragraph, we discussed all the advantages, challenges, changes that digitalization is bringing. We also forecasted what will happen in the future, but it also important to figure out what are the most important steps to take when digitalizing a business and according to the experience of the managers that participated into the interviews there are many different essential and relevant factors:

“Set up a good data gathering infra structure, develop content for every channel specifically and ‘Test, Test, Test’ mentality”. (Ms. Hunt)

“Identify the business goals and needs based on data, integrate all the functions into the planning—e.g. how to integrate physical/Retail and Digital and identify and reward the most valuable consumers at scale—

who does your Brand stand for and who brings you the most profit”
(Mr. Hagelin from Nike)

Overall, it is important to use trustable data as a starting point to be able to develop an appropriate strategy that takes into account of all channels and that is able to integrate both physical and digital components to reach the purpose set by the company and in the end, engage with the customers to obtain successful performances.

5.7 Comparison between the companies

The companies selected for this study are all operating in the same sector, but they all have different backgrounds, different targets even if all of them are producing shoes. As a consequence, their opinions may be different, and this is due to, of course, their nature, but also depends on the time of their establishment, their size and the way they are looking at changes. All of this, make this case study really interesting and even though the companies present difference the results are comparable and compatible. For this reason, this paragraph will provide to the reader a comparative summary of all the results obtained during the interviews to make all the chapter more understandable and to have a concise overview of what has been said in the chapter.

Table 15. Comparative table of the results.

Company	Overall degree of standardisation	Two most influenced Ps by digitalisation	Impact of digitalisation	Evaluation of the changes	Use of Big Data	Use of customization	Advantages of customization	Challenges of customization	Forecast and expectations
Undandy	Medium low	Product and Price	Customer knowledge issues	Positive	No, only social media analytics	Yes, new concept of luxury thanks to customisation	<ul style="list-style-type: none"> - Reasonable priced luxury shoes - Worldwide sales - No slaves of trends 	<ul style="list-style-type: none"> - Scalability - Dealing with return - Problem of buying shoes online 	Closer relationship with customer
Awl & Sundry	low	Price and Promotion	Higher value creation for the client	Positive	No, only CRM	Yes, uniqueness and novelty of the business (dress shoes sector)	<ul style="list-style-type: none"> - Value creation with the customer - Cost efficiency - Engagement with the customer 	<ul style="list-style-type: none"> - Complex process - Scalability - Retailers relationship 	3D printing and 3D scanning apps
Nike	high	Place and Promotion	Promotional activities	Positive	Yes, to better reach the customer	Yes, to increase the engagement with the customer and to offer them a true experience	<ul style="list-style-type: none"> - Value creation with customers - consistency - Good usage of the brand assets 	<ul style="list-style-type: none"> - Efficiency and setup - Scalability - Resource and business 	Personalization of the online experience of the customer

6. SUMMARY AND CONCLUSIONS

This chapter, the last one, aims at presenting, explaining and summarizing the main findings of this study gathered from the data obtained through the interviews. Then it will analyse what are the practical contributions of this study to provide managerial implications which could be useful to other companies to implement a better marketing strategy to take advantage of the digitalization. Finally, the author will point out the limitations of the study, providing suggestions for further researches.

6.1 Summary of the results

In this section the author is going to analyse the results from a more generic perspective, trying to make conclusions about what has been discovered analyzing the data that have been collected through the semi-structured interviews. Furthermore, in this paragraph, the author will answer the research question.

First of all, having a look at the companies that have been interviewed it appears that those which are characterized by a small size used to adapt more each P of the international marketing mix compared to the bigger ones. In addition to this, there is also a correlation with the degree of adaptation between being an established company which was born in the less digitalized world and compared to a younger, born global and more digitalized company. In fact, the second type tends to incorporate in their core activity digitalization, adapting more their P according to the needs of their single customer. While the established one, due to, of course, their size too, tend to maintain as a core activity the production of much more standardized products, even though they are turning their focus much more on the single customer instead of the market as a whole.

For what concerns the 4 Ps in detail, the most two influenced by digitalization are price and promotion. With digitalization price are becoming more and more transparent, meaning that the customers are not only able to compare price in just one minute, but they are also able to know what is behind those prices. As a consequence, the customers are gaining much more power compared to the past, now they are more aware of what they

want and of what they can have from the companies. In addition to this, the customers know that they have that kind of power and they are not afraid of using it. From the companies' perspective, this means that they really need to pay attention to their action and concentrate on satisfying the customer needs which cannot be seen anymore just as part of a target market, but more as a target persona.

Promotion has been chosen as the second P most influenced by digitalization and the main reason is connected to the opportunities that online media and channels are offering to the companies to reach in a more direct way. Nowadays customers are no more passive spectators of companies' advertisement, they want to engage with the messages promoted by the companies, they want to be part of those messages, they want to feel closer to the companies themselves.

For this reason, we can link this to the theoretical framework developed in the first part of this thesis we can say that all 4 Ps are influenced by digitalization, but the two most affected are price and promotion. From the theoretical framework reported in figure 16, it is clear that with this study we analysed the problem only focusing on digitalization and the international marketing mix activities. For sure, digitalization is influencing also the other antecedent factors, but studying the whole influence of digitalization over them would not have been in line with the purpose of the study which has a more business and practical orientation. For this reason, the study is delimited to the analysis of the influence of digitalization over the international marketing activities leaving unchanged the other antecedent factors.

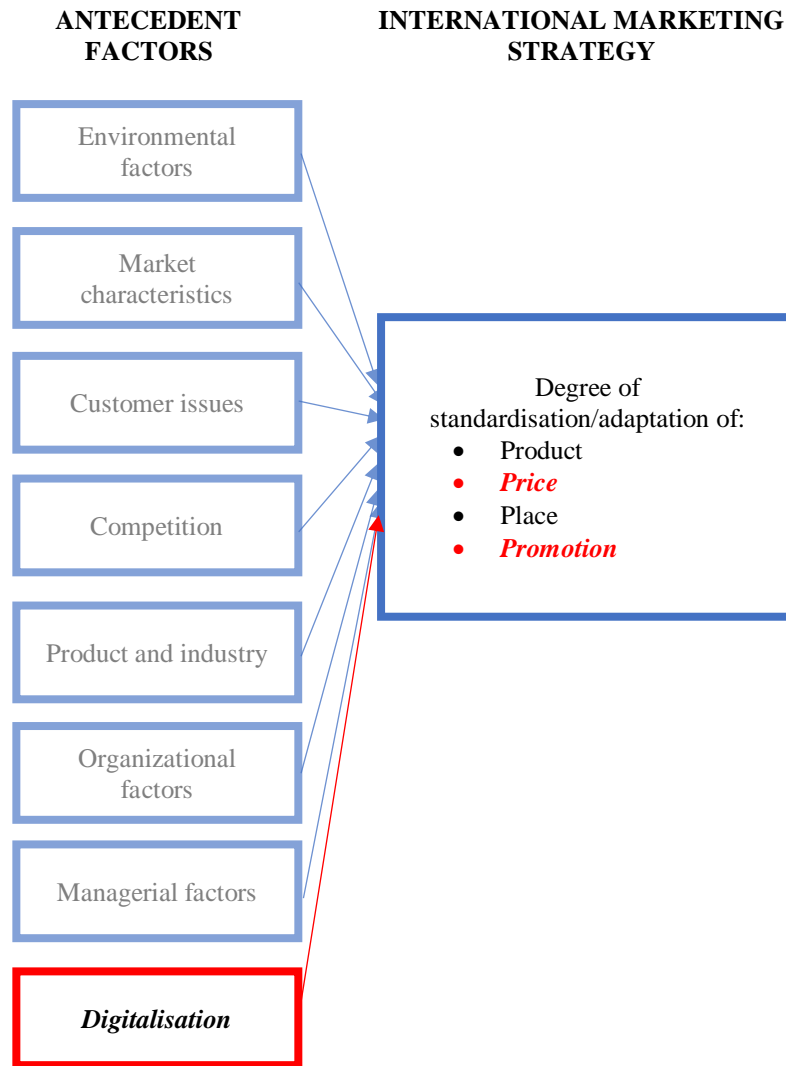


Figure 16. Theoretical Framework (adapted from Theodosiou and Leonidou 2003: 143).

The thesis, after this first macro analysis, focused on two of the biggest trend expected for 2018: big data, defined by De Mers (2017), as the biggest trend in online marketing expected for 2018 and customization, as a new frontier in the way customer shop in 2018 Finkelstein (2018).

Regarding Big Data and their analysis, this study pointed out that they are still not commonly used. From the interviews contacted it emerged that all the managers were aware of the huge potentiality the analysis of big data has, but they defined their companies not ready. These considerations arose from the experience of managers

working in smaller companies, while the bigger one is starting using those analyses mainly to gather more insights about their customer to be able to better reach them, customizing the strategy to engage them based on the single customer.

More in detail, it arose that big data -as mentioned before- are influencing the international marketing mix activities, in fact, they are useful to better target and reach the right audience providing customized experience and services, but they can also help the companies to discover hidden opportunities and to find solutions for business obstacles. On the other hand, big data require a huge knowledge to be able to access to the right data and this means having appropriate resources. In addition to this, there are still issues with data regulation and privacy problems. All these disadvantages or challenges make the introduction of big data analysis an issue and this can be the reason why smaller companies are still using more traditional analytics.

Customisation, on the other hand, is a service provided by all the interviewed companies and in addition to this, all the managers pointed out how much it is influencing their international marketing activities. The main benefits that customization is bringing to companies is that it helps increase the value for the customer, who feel more connected with the company which is giving him/her more attention. Customization is also useful to be more cost efficient, reducing all those fees related to inventory, but the most important benefit pointed out by the interviewed manager has been the power of engaging with the customers. All the managers who took part in the interviews reiterated the importance of engaging with the customers, as an individual. Nowadays, it is important to develop strategies which aim at providing a true and unique experience to the single customer. The focus is on understanding what each one of your clients wants, going beyond the common idea of reaching a target market.

On the other hands, from the interviews, it appeared that the biggest issues are related to the scalability of the business and the time-consuming process. Meaning that it is really hard to scale a business which includes physical products which need to be personalized according to customers' requirements and the personalization itself requires much more time and complex process compared to mass production.

The data collected through the semi-structured interviews includes also some forecast and expectations for the future in terms of digitalization. The main findings show that even with all these new technologies and tools it is still impossible to predict the future, the only certain thing is that digitalization is bringing changes at a really fast pace. The biggest expectations for the next 2-3 years are the introduction – in the footwear industry- of 3D scanning app to develop much more customized shoes, the development of total personalized online experience, but above all of these, all the interviewed managers agreed on the need of a bigger engagement with customers.

To sum up, according to the research question at the base of this study:

“What kind of changes is digitalization bringing to the degree of standardization or adaptation of the international marketing mix activities of the footwear industry?”

We can say that the biggest change regards the orientation that companies have when planning their international marketing strategy. Meaning that nowadays companies do not plan anymore they strategy based on market perspective, but on a persona perspective. In this way, the classical dualism of standardization and adaptation is exceeded.

6.2 Managerial implications

All the work has been developed from a business perspective emphasizing the empirical part. In the end, this work can be useful and be a support for those footwear companies which would like to take advantage of the digitalization.

First of all, managers should really pay attention to their relationship with their customers, that in 2018 means mainly their presence online, which should not focus on the quantity and so being present on all the online media, but should focus on the quality, meaning that they should be able to manage all the requests, all the complains all the information with the needed care and attention. Moreover, they should be aware that customers, wants to live experiences and not just be passive spectators of their advertisement. This means,

make them feel special, companies should seem interested in listening to their customers' stories and need. They want to feel important.

Furthermore, managers should evaluate carefully the way they are going to produce the shoes because nowadays customers are more demanding because they are more aware of how companies are producing shoes, they can access to information online and see how much it really cost to produce a pair of shoes. What matter, is that the price needs to reflect without any trick the true value of the pair of shoes.

Last but not least, managers should create a high value for the customers and to do this they should, first of all, understand their customer needs to be able to develop a “win-win strategy” because, in the end, the success of a business depends on its customers.

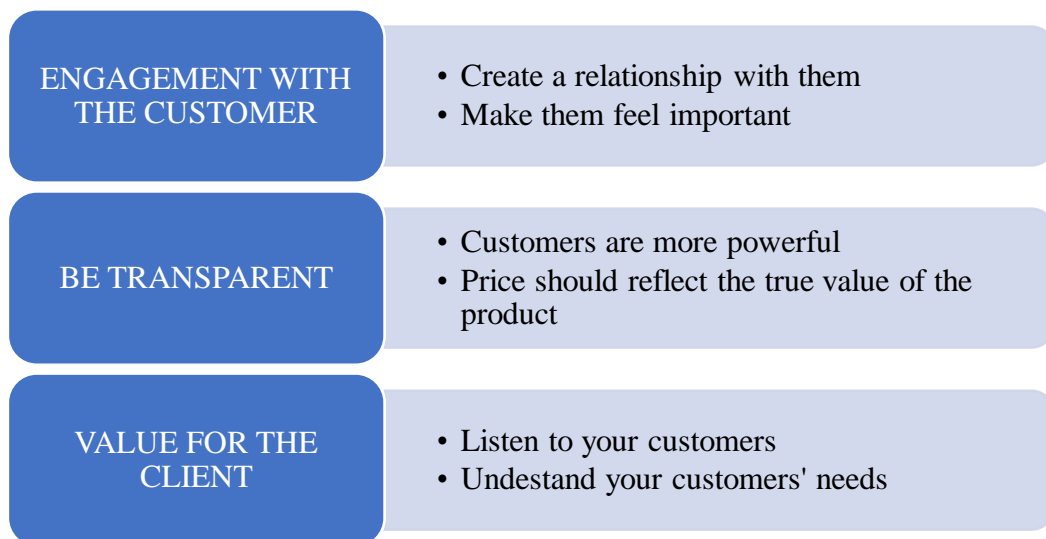


Figure 17. Key managerial implications.

6.3 Limitations and Suggestions

This paragraph aims at acknowledging the reader about the limitations included in this study and at pointing out suggestions for future studies. For what concerns the theoretical framework embedded in this thesis narrow the focus on only some aspects of the main topic. This has been done on purpose in order to better focus on the objectives established at the beginning of the work. The digitalization topic is really wide and considering it as a whole would have led to a superficial work. For this reason, the author suggests that future studies could focus on the missing elements to provide a complimentary analysis which could be then integrated into a bigger study to see if the results would be the same or not.

For what concerns the sample and data collection, the limitation regards the sample size which includes only three companies mainly of a small size. In this case, it could be interesting to see what would have happened taking into account in a balanced way both big and well-established companies and small and born global ones. Moreover, the main two out of three companies are producing hand-made, customize men's shoes. It would be interesting to analyse other kinds of shoe industry such as women's or sneaker shoes. In addition to this, further considerations regarding the data collection should be made. Due to the international character of the companies considered in this master's thesis and as a consequence the different location of the headquarter of the firms, the interviews have been conducted all through Skype. This tool allowed the author to be able to capture non-verbal information such as the facial expression, but of course, this method missed other information like the those from the body language because of the use of a webcam which only focuses on the other person's face. On the other hand, this remote meeting tool leads to a more relaxed and friendly atmosphere which allow a more free and honest conversation. Overall, the limitations, in this case, are balanced with the benefits coming from the use of Skype taking into account the geographical nature of the companies analysed.

With regard to the general findings, it is needed to point out that this study cannot be generalized due to the fact that the companies analysed are all from the same specific

sector. In addition to this, the author final purpose was to provide managerial implications and for this reason, only this perspective has been taken into account. In this case, the suggestion is to think about the possibility to develop a study on the same topic but taking into account a different perspective: the one of the customers, analyzing what are the factors that influence their decision making.

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APPENDIX 1 – (DRAFT) QUESTIONS FOR THE SEMI-STRUCTURED INTERVIEWS

General Information:

- 1. Name of the company:*
- 2. Number of employees:*
- 3. International presence (where):*
- 4. HQ:*
- 5. Main production line:*
- 6. Name of the manager:*
- 7. Job position:*
- 8. Number of year in the company:*

Marketing mix questions

On a scale from 1 to 5 where 1 is low and 5 high:







1. How much are standardized the products you sell?
 - 1.1. The product itself
 - 1.2. The packaging
 - 1.3. The extra services (such as shipment, customer care, technical support...)
2. How much is standardized the price of your products?
3. How much are standardized the distribution channels you use?
4. How much are standardized the promotional activities related to your products?
5. Thinking about the 4Ps, which are the two most influenced by the digitalization?
Why?

Digitalisation related questions:

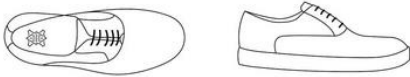

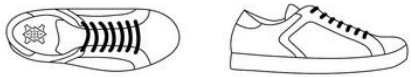

1. Did your company come across any changes in the marketing mix activities since the advent of digitalization? If yes, which ones? *[providing the definition of digitalization used in this thesis]*
2. Would you consider them positive changes or negative ones? Why?
3. Are you using big data to generate insights? If yes, in which ways they are improving your marketing activities? If no, would you consider introducing them in the future and why?
4. You are offering to your customers personalized shoes, why did you decide to introduce this service? Did you think that this would have become a huge trend today? If yes, why?
5. Could you please choose the 3 biggest advantage and the 3 biggest challenges of using big data?
6. Could you please choose the 3 biggest advantage and the 3 biggest challenges of offering a personalization service?
7. *“Delivering personalized experiences to customers is clearly a top priority of marketers.”* (Forbes 2016) What do you think of this quote?
8. What do you think it will happen in 2-3 years from now?
9. Choose three of the most important things to take into account when implementing a more digitalized marketing strategy

APPENDIX 2 – TYPE OF SHOES OFFERED BY UNDANDY AS THE STARTING POINT FOR THE CUSTOMIZATION PROCESS

—/ SHOES & BOOTS

UNDANDY '48	UNDANDY '15	UNDANDY '31
<p>PUFF TOE, ETERNAL CLASSIC</p>  <p>Designed to be a classic puff toe last with a contemporary twist, the '48 will take you from boardroom to bar in effortless ease. Timeless and versatile, if vintage cool appeals to you, you simply can't go wrong with our 48's.</p>  <p>DESIGN YOUR SHOE DESIGN YOUR BOOT</p>	<p>CLAW TOE, BOLD</p>  <p>It's soft, chiselled profile is ideal if you are going for suave, sophisticated styling. Achingly sartorially savvy and unparalleled when you want to show them who's the boss.</p>  <p>DESIGN YOUR SHOE DESIGN YOUR BOOT</p>	<p>ROUND TOE, COSY</p>  <p>Specifically crafted with a more casual approach in mind, our 31's are our most versatile format. Its thin sole paired with the rounded toe are the perfect combination for everyday wear and adaptable for all walks of life.</p>  <p>DESIGN YOUR SHOE DESIGN YOUR BOOT</p>

—/ SNEAKERS

UNDANDY '92	UNDANDY '68
<p>ROUND TOE, SMOOTH</p>  <p>The heritage of a dress shoe coupled with the laidback cool of a sneaker. The '92 embodies perfected casualness and, incidentally, was the same year that the first sneaker was conceived in the late 1800s.</p>  <p>DESIGN YOUR SHOE DESIGN YOUR BOOT</p>	<p>ROUND TOE, VINTAGE</p>  <p>The 68' is our chief cobbler's interpretation of an eternal classic. Combining durable leather soles with classic design and comfort, these sneakers are sure to stand the test of time.</p>  <p>DESIGN YOUR SHOE</p>

APPENDIX 3 – TYPE OF SHOES OFFERED BY AWL & SUNDRY AS THE STARTING POINT FOR THE CUSTOMIZATION PROCESS

Essential Style

THE FOUNDATION OF ANY GREAT SHOE IS ITS FUNDAMENTAL FORM. **SELECT YOURS:**



OXFORD / CUSTOM SIZED

The most elegant of all styles, Oxford is recognized by its closed lacing making it ideal for narrow feet with a low instep

◀ BACK

PROCEED TO FEATURES

APPENDIX 4 – TYPE OF SHOES AND EXAMPLES OF CUSTOMIZABLE SHOES BY NIKE

Shoes

Lifestyle (244)

Running (53)

Basketball (38)

Soccer (42)

Training & Gym (41)

Skateboarding (6)

+ More

Sports Bras

Compression & Nike Pro

Tops & T-Shirts

Hoodies & Pullovers

Jackets & Vests

Pants & Tights

Shorts

Skirts & Dresses


Surf & Swimwear

Socks


Accessories & Equipment

FILTERS


From spin sessions to yoga to every day wear, shop women's shoes featuring signature Nike styles and technologies. Whether it be the iconic Air Force 1 or latest VaporMax find the pair that matches your look.




6 Colors
Nike Epic React Flyknit
Women's Running Shoe
\$150




5 Colors
Nike Air VaporMax Flyknit 2
Women's Running Shoe
\$190




3 Colors
Nike Air Max 270
Women's Shoe
\$150




3 Colors
Nike Air Max 270 Flyknit
Women's Shoe
\$170




6 Colors
Nike Air Max 270 Flyknit
Women's Running Shoe
\$150



5 Colors
Nike Air VaporMax Flyknit 2
Women's Running Shoe
\$190



3 Colors
Nike Air Max 270
Women's Shoe
\$150



3 Colors
Nike Air Max 270 Flyknit
Women's Shoe
\$170

+

INNOVATIONS

START
WITH A
BLANK
CANVAS



Sportswear
Shop All



Training
Shop All



Running
Shop All



Basketball
Shop All



Soccer
Shop All