Fundamental changes taking place in the global business environment and in the business enterprise itself compel international marketing scholars to reexamine the progress being made by the field’s scholars in developing knowledge. In this article, the authors critically evaluate progress in international marketing as a field of study through ontological, thematic, and methodological lenses. They also offer a portfolio of research topics that they believe are worthy of scholarly attention.

As fields of study evolve, they travel through natural phases in which advances build on the concepts, methods, and theories established in previous stages of the field’s development. Along this journey, at times inspired by significant new phenomena, particularly in the practice of the field, scholars reflect on the field’s progress and make projections about its future development. Following this tradition, researchers in international marketing have engaged in critical evaluations of their field during the past three decades and have made projections about how it might be charted conceptually and methodologically in the future.

The list of such excursions is long. For example, Cavusgil and Nevin (1981), Albaum and Peterson (1984), Cavusgil and Li (1991), and Aulakh and Kotabe (1993) have inventoried international marketing’s development from its early origins in the 1960s to date and have offered projections about its future. In a similar vein, Ozsomer and Cavusgil (1991), Baughn and Yaprak (1993), and Papadopoulos and Heslop (2003) have inventoried the stock of research on product and country images, and Sarkar and Cavusgil (1996) have synthesized the collection of studies on market entry modes, both popular conceptual inquiries in the earlier development of the field. Walters (1986) and Jain (1989) have critically assessed the stream of research on standardization versus adaptation of marketing programs, a research issue that has always generated interest in international marketing.

More recent assessments of the field’s development have been provided by critical reviews of the stock of publications that have appeared in *Journal of International Marketing* during its first decade of growth (Schlegelmilch 2003) and by Czinkota and Ronkainen’s (2003) manifesto, which chal-
lenged the field’s scholars to rejuvenate their research and become more managerially relevant. Reflections on this manifesto from European, Asian, and North American perspectives (Deligonul 2003; Katsikeas 2003; and Walters 2003, respectively) have underscored the significance of meeting Czinkota and Ronkainen’s (2003) challenges and have offered new suggestions for making the field’s research more theoretically robust and more practically relevant.

In this essay, we provide a critical review of this literature and offer suggestions about how the field might be advanced over the next decade. However, our work is somewhat different from the previous reviews; we review the development of the field from ontological, thematic, and methodological perspectives and critically evaluate both earlier and more recent developments. We also note research streams we believe are worthy of further exploration. The intent is to inspire new research in the field based on the ontological, thematic, and methodological foundations that have been laid by the field’s earlier scholars. This article should inspire dialogue among the field’s scholars about research questions that will enhance knowledge in the field. It should lead to the development of more theoretically robust and managerially relevant explanations of international marketing phenomena.

We organize the remainder of this article as follows: We begin with ontological and thematic overviews of the schools of thought through which we believe international marketing has evolved, and we classify the major streams of research that were embedded in these schools. We then address the conceptual and methodological limitations that the field’s scholars have experienced during its development, and we note the conceptual developments that transcend the streams of research that have shaped the field thus far. Finally, we discuss the avenues of research we believe will shape the future of international marketing, and we comment on the significance of infusing methodological rigor and managerial relevance into subsequent research.

Ontology refers to the existence and essence of a field as an independent domain of inquiry. As a managerial practice, international marketing has been around for centuries, but as a distinct field of study, it appears to have gained acceptance in the 1960s (Bartels 1988). Within the short period of the past four decades, scholars of the field have explored many of the dimensions of international marketing, but three issues have dominated the focus of inquiry in the field: (1) the managerial processes of expanding into and developing a local presence in foreign geographies; (2) the resultant ownership structures; and (3) the design, execution, and evaluation of strategies in these markets. These issues covered such topics as crossing national boundaries with different modes
of entry and ownership, market opportunity analysis, customer and market development, cross-national logistics and channel management, and international branding and pricing. More recent interest shifted to integrating value-adding activities on a worldwide scale to deliver superior customer value in relation to relevant competitors (Webster 2002). However, the confluence of the explosive growth in information and communications technologies and the globalization of markets, competition, resources, and consumers during the past decade have created a new set of issues for the field’s researchers.

This transformation has been driven by the emergence of global and regional consumers; rapid economic growth in the economies transitioning from planned to open-market systems; the appearance on the global market scene of players from a much wider range of countries, including those that are quick to internationalize (i.e., “born global” firms); and the surfacing of marketing opportunities in the developing regions of the world (Knight and Cavusgil 2004; Prahalad and Lieberthal 1998). For example, the rapidly growing middle classes in highly populated emerging economies, such as China, India, and Brazil, have recently created robust market segments, economically attractive supply bases, and promising marketing opportunities for marketers from all over the world (Batra et al. 2000; Cavusgil 1997). The rapidly integrating European Union is rendering pan-European marketing strategies feasible; rapid economic growth in the liberalizing economies in Eastern Europe and Asia is generating a vast region of consumers thirsty for consumer goods; and internationalizing firms from emerging economies, such as China and India, are challenging their established Western rivals in many markets of the world (Guillen 2000; Khanna and Palepu 2000). In the light of these transformations, it would be invaluable to chart the distinctive evolutionary stages in the field. We observe two phases in the advancement of the field’s ontology: the extension and indigenous focus perspectives (see Table 1).

Whether scholars or managers, early thinkers of the field perceived international marketing phenomena and practice as extensions of their domestic counterparts. Thus, they attempted to project existing marketing knowledge from their home to a host country and then to a cross-national context. Adopting a comparative mind-set anchored in anthropology, economics, and sociology, they typically focused on whether marketing, as conceived of and practiced in the United States, applied equally well in foreign markets (Boddewyn 1981). For example, they explored how different foreign markets’ infrastructures, marketing institutions, consumer behavior, and conceptualizations of organizational welfare compared with those in the United States. A major
concern was about how a U.S. business accessed, penetrated, and localized each new market it entered and how it subsequently expanded into other markets. Attention was on the context, that is, the foreign environment in which the firm conducted business, and therefore the firm’s activities involved adaptations to the foreign market’s cultural and institutional norms. This primarily descriptive stream of research based on simple methods of analysis is called the “extension” perspective (Aulakh and Kotabe 1993; Cavusgil and Li 1991).

The makeup of a field closely follows its living phenomena, and the extension perspective is no exception. During these years, the challenges of adapting to a foreign-host environment produced two strands of studies: those that involved environmental analyses and those that attempted to explain the internationalization process of firms. Table 1 shows this evolution. In the first stream, international marketing scholars focused on the environmental dimensions of the foreign market, initially making few modifications and then revising this approach with more adaptations and the new managerial tasks imposed on them by the foreign environment. These included foreign market opportunity analyses, entry mode selection, contracting with foreign partners, pricing under inflationary conditions, coping with foreign exchange rate changes, and international logistics and intellectual property protection (Cavusgil and Li 1991).

In the second stream, scholars tried to understand the process by which firms acquired and possessed increasing degrees of international character over time (Johanson and Wiedersheim-Paul 1975). The focus was on the managerial decisions and enterprise behavior that accounted for the early internationalization and subsequent international expansion of the firm. Of particular concern here was the organizational context of the smaller, new-to-export firm. Scholars of this stream developed and used in their research constructs such as the firm’s risk-taking preferences, learning orientations, innovative capabilities, and the mind-sets of its senior management (Cavusgil 1980).

Dramatic changes in the global market environment in the 1990s, however, required a perspective transformation. The rapidly integrating knowledge economy, globalization, the convergence and consolidation of industries, the convergence and fragmentation of markets, the adaptation of organizations and demanding customers all over the world (Day and Montgomery 1999) created phenomena unique to international marketing. It required that international marketing develop its own novel perspectives on these phenomena and the unique constructs. From this perspective, emphasis shifted from an “adoption of the extant” to an “indigenous”
focus. In the emergent stream, two intertwined groups of studies flourished: the relational and the equity schools. Both are relatively recent developments.

In the relational stream, benefits associated with cultivating relationships with customers, suppliers, and channel intermediaries were considered fundamental to the success of the firm because these benefits were the relatively less imitable competitive advantages in a world that was becoming increasingly competitive. Researchers recognized that the firm was becoming a portfolio of relationships or a node in the extended enterprise. In the emerging web of complex and overlapping relationships, the firm needed to invest in, cultivate, and accumulate relational capital to succeed in foreign markets (Sarkar et al. 2001; Webster 1992).
In the equity stream, researchers began focusing on the incremental value accruing to the firm through its international marketing activities measured by intermediate, nonfinancial performance outcomes, such as customer and brand equity, channel equity, and innovativeness (Rust, Lemon, and Narayandas 2005, Steenkamp, Batra, and Alden 2003; Steenkamp, Hofstede, and Wedel 1999). These intermediate, marketing-generated outcomes began to supplant the more traditional financial indicators, such as sales, profits, and market share, in measuring firm performance in global markets (Arino 2003). These two streams of studies demanded more sophisticated forms of inquiry, more rigorous methodologies, and fresher constructs with which to study the field’s phenomena; we discuss these subsequently.

In summary, when viewed through ontological lenses, the evolution of thought and practice in international marketing has paralleled the evolutionary pathways followed in other disciplines: early development through relatively simple approaches to the study of phenomena, often through the theories, methods, and axioms borrowed from other related disciplines, followed by the broadening of the field’s intellectual base and its approach to research through more sophisticated methods, analyses, and interpretation. For example, the borrowing of theories, methods, and axioms from economics, psychology, and anthropology has been declining as international marketing researchers develop approaches that are more indigenous to the field. Research approaches that go beyond the comparative and projective formats have been emerging, and there has been an increasing development of unique and customized research tools, original research questions, and sharing of beliefs among the field’s scholars. A more granular approach to research has been evolving along with the emergence of common and proprietary tools, values, and axioms, all reflecting the notion that international marketing is a field of study unto itself (Deligonul and Cavusgil 1997; Hunt and Morgan 1994).

A paradigmatic perspective provides the blueprint for scholarly work in a field. In its guidance, studies develop thematic streams of investigations. A chronological account of topics marks the scope of scholarly interest. In this light, we now identify the major research themes that have shaped scholarly inquiry in international marketing, and we comment on the trajectories that these have experienced as the field developed from its early years to its current state. Table 2 provides a classification of these themes.

When we examine international marketing through a thematic lens, we observe that in the earlier phases of its development, scholars focused on the firm’s cross-national interface, that is, on how marketers could effectively cross

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**A THEMATIC OVERVIEW:**

**CONCEPTUAL EVOLUTION**

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physical, political, legal, monetary, and other boundaries to function in the foreign market and possibly expand from there. Thus, significant issues included the depth of the initial commitment to become international, alternative market entry modes, and the management of the various marketing functions, such as procurement and distribution after the

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<th>Phase of Development</th>
<th>Representative Research Streams</th>
<th>Representative Studies</th>
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<tr>
<td>Early Development: Cross-National/Cross-Cultural Interface</td>
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<tr>
<td>Recent Development: Multiple-Market Challenges</td>
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<tr>
<td>Firm focused</td>
<td>Creation of network structures and their coordination; creation of learning organizations through interfirm collaborations; global supply chain strategy and global account management; development and execution of a global marketing strategy; segmentation, targeting, and positioning across the global network; value chain rationalization, integration, coordination, and control</td>
<td>Dunning (1988), Eisenhardt (1989), Nohria and Eccles (1992)</td>
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As the field evolved, however, themes shifted to the cross-cultural interface, centering primarily on cross-cultural consumer behavior. Popular within this stream, for example, was the literature on country and product images; this was reviewed every ten years or so by scholars such as Bilkey and Nes (1982), Özsomer and Cavusgil (1991), Baughn and Yaprak (1993), and Papadopoulos and Heslop (2003). The major issues for exploration in this theme were country-of-origin bias in product perceptions, cross-cultural diffusion of products, comparative studies of buying behavior, and the influence of national culture in marketplace choices. Other popular themes included research on market entry modes, particularly export involvement and performance (Bilkey 1978; Katsikeas, Leonidou, and Morgan 2000); standardization and adaptation of marketing strategy (Jain 1989); market potential analyses (Cavusgil 1983; Malhotra 2001); globalization of products, services, and markets (Levitt 1983); and centralization and coordination of marketing strategy (Quelch and Hoff 1986).

Following this period, thematic interest shifted to firm strategy. As strategy began to interface with global sourcing and supply chain considerations, contingent factors, such as a culture’s role in the firm’s market entry strategy (Kogut and Singh 1988), and the rationale for collaboration with intermediaries (Contractor and Lorange 1988) became fashionable research issues. The theoretical bases that appear to have nurtured scholarly development in this phase were the internationalization theory (Cavusgil 1980; Johanson and Vahlne 1977) and theories of the multinational enterprise and internalization, both of which are sourced in industrial organization theory (Hennart 1991; Rugman 1981).

Thematic rigor called for a multiplicity of outlets. This led to the emergence of journals such as International Marketing Review, Journal of the Academy of Marketing Science, and European Journal of Marketing, and Journal of International Business Studies strengthened its presence in the scholarly literature of international business. Studies in this phase also grew methodologically, taking on increasing levels of quantitative sophistication.

In the next thematic phase, we observe studies inspired by globalization considerations. Paralleling the explosive growth in global markets, customers, and competition during the 1990s, research in the field became more mature in terms of the topics explored (from market entry, to joint ventures, to strategic alliances, to performance issues in networked organizations), clarity of focus (from managerial, to concep-
tual and policy oriented, to theory development), and methodological depth (from marginal pursuit of methodological rigor to adherence to more sophisticated standards of measurement, validation, and model/theory testing).

Studies in this phase encompassed buyer-focused topics, such as the possible impacts of consumer ethnocentrism, patriotism, and economic nationalism on foreign product purchase behavior (Balabanis and Diamantopoulos 2004; Balabanis et al. 2001; Baughn and Yaprak 1996; Shimp and Sharma 1987) and consumer purchase conduct in emerging markets (Arnold and Quelch 1998; Prahalad and Lieberthal 1998). The list further covers firm-focused topics, such as the trade-offs that the globalizing firm must make among globalization, regionalization, and semiglobalization of marketing strategy (Ghemawat 2003a, b), and the firm’s rationalization attempts as it designs and manages its global supply chain strategy (Birkinshaw, Toulan, and Arnold 2001; Yip and Madsen 1996). Studies of global account management (Shi et al. 2004) and market-centric studies also received attention as scholars explored the challenges posed by marketing efforts in transition economies (Batra 1999) and operations in emerging markets (Khanna and Palepu 2000).

Perhaps the most significant development in this phase was the increased sophistication that scholars built into their themes as they began to test more explicit hypotheses and more comprehensive models of the internationalizing firm and to ensure the reliability, validity, and equivalency of their measures. This was often inspired by conceptual developments in the theoretical bases that the field began to adopt from the resource-based view (Barney 1991), transaction cost economics (Anderson and Gatignon 1986), agency theory (Eisenhardt 1989), eclectic theory (Dunning 1988), and the theory of networked organizations (Nohria and Eccles 1992).

This thematic multiplicity led to a natural consolidation of knowledge. The field’s scholars made valuable attempts to synthesize the growing body of literature, which was becoming increasingly robust in managerial and conceptual character, and they commented on fashionable trends (Aulakh and Kotabe 1993; Li and Cavusgil 1995). Newer scholarly outlets, such as Journal of International Marketing, International Business Review, and Advances in International Marketing, arrived during this period, providing additional exposure to a rapidly growing stock of scholarly contributions from a swelling number of researchers in the field.

Another defining characteristic of this phase was the broadening of theorizing. Both the units of analysis and the topic of coverage expanded. First, scholars began to develop and apply a broader set of units of analysis (ranging from the
individual manager or consumer to the firm, industry, country, and/or region) and to offer to the literature a broader array of contributions (ranging from thought pieces, to conceptual articles, to empirical studies), increasingly building academic acceptance of the field in international business and marketing. Second, influential scholarly contributions were offered from a wide range of world regions. Specifically, European and Asian contributions often generated new insights and questions in the field. As an example, the work of the International Marketing and Purchasing group, a five-country collaborative project examining buyer–seller relationships in industrial markets, helped pioneer new concepts, models, and knowledge in Europe during the 1980s (Ford 1990) that paved the way for similar inquiries in North America. Often labeled relationship marketing, networks, and interfirm relationships, the work of the International Marketing and Purchasing group also helped mark the shift in scholarly research from a focus on individual transactions to a focus on business relationships.

In summary, the thematic development of the field during the past four decades paralleled developments in other fields of study: It began with comparative studies with relatively unsophisticated methods and methodologies; went through a maturation period of experimentation, insights, and explanations; and arrived at themes that were more capable of explaining emerging phenomena with their use of more sophisticated methods and methodologies.

Methodological progress in international marketing followed a strenuous path. Many earlier studies lacked a sound theoretical foundation and well-defined constructs, researchers used idiosyncratic definitions of these constructs, and, sometimes, the concepts borrowed from mother disciplines did not neatly fit the phenomenon under study (Cavusgil 2003). The weakness in theoretical foundation was reflected in measurement models. As the field matured during the 1990s, however, researchers developed new concepts to study, generated new constructs to apply in their research, and began to assure the psychometric properties of their measures (Mullen 1995). Table 3 provides an overview of the methodological evolution of the field.

In the early development of the field, research displayed significant weaknesses. Samples were ad hoc; techniques tended to be static, with little focus on the dynamics that industrial, cultural, and firm variables bring to cross-border marketing; little concern was shown for interaction effects and model testing; and inadequate reporting of managerial implications were common (Aulakh and Kotabe 1993; Cavusgil 2003). Methodological flaws appeared in reliability and validity and in construct and functional equivalencies.
Poor research design, insufficient variation in focal constructs, and inappropriate units of analysis were the norm, not the exception. Studies suffered from use of single-item measures, often developed for the U.S. market, and from simplistic and incomplete data analyses (Cavusgil 2003; Craig and Douglas 2000; Kumar 2000; Yaprak 2003). However, more recent developments in the methodological dimensions of the field have been encouraging. By the 1990s, the field’s scholars had accumulated an impressive volume of literature on which better techniques could be applied. The more reliable constructs led to definition of better variables to study phenomena, such as local responsiveness versus global integration, market orientation, and organizational learning. Measurement issues drew greater and more appropriate attention (Steenkamp and Baumgartner 1998).

However, many limitations still remained. Perhaps the most significant among these was researchers’ weakness in adequately assessing the psychometric integrity of their measurement models, lack of cross-cultural equivalency in measures, and reliance on items without adequate measurement efforts. Too many studies failed to address weaknesses of their analytical techniques. They were uninformed in the

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<th>Phase of Development</th>
<th>Illustrative Difficulties</th>
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<tr>
<td>Early Development</td>
<td><strong>Conceptual limitations</strong> Limited accumulation of knowledge hinders methodological progress, work is comparative and descriptive and is authored in the United States, lack of focus on the dynamics among important variables, lack of managerial implications of studies.</td>
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<td></td>
<td><strong>Methodological limitations</strong> Poor research designs and insufficient variation in constructs, inappropriate units of analysis, lack of assurance of psychometric properties (reliability, validity, equivalencies), measures are single item, data analysis is simplistic and incomplete.</td>
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<tr>
<td>Recent Development</td>
<td><strong>Conceptual improvements</strong> Body of literature on which to build new research, new constructs with which to study new phenomena, sophisticated approaches for coping with measurement problems.</td>
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<tr>
<td></td>
<td><strong>Methodological limitations</strong> Continued weakness in the assessment of the psychometric integrity of measurement models, continued weakness in the analysis of equivalencies in measures, overreliance on items that inadequately measure intended constructs, lack of attention to the properties of analytical techniques applied to data, failure in full disclosure of findings, evaluation of performance as a unidimensional construct.</td>
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(Mullen 1995). Poor research design, insufficient variation in focal constructs, and inappropriate units of analysis were the norm, not the exception. Studies suffered from use of single-item measures, often developed for the U.S. market, and from simplistic and incomplete data analyses (Cavusgil 2003; Craig and Douglas 2000; Kumar 2000; Yaprak 2003).

### Table 3.
International Marketing: A Conceptual and Methodological Overview

### Desire for More Rigor
complexities that plagued the first- and second-order constructs and their treatment in their measurement models. For example, trust, culture, innovation, performance (Arino 2003), and similar multidimensional constructs were treated as one-dimensional, simple variables. Critical methodological issues escaped scrutiny while relevant theoretical constructs were being developed, studies were being designed, and research instruments and/or data analyses were being chosen and administered (Van de Vijver and Leung 1997).

In this context, a significant methodological issue that has concerned the field’s researchers since its adolescence has been whether and to what extent the behavioral similarities or differences across markets are, indeed, real (Hui and Triandis 1985; Makino, Isobe, and Chan 2004; Mintu, Calantone, and Gassenheimer 1994; Mullen 1995; Sekaran 1983; Singh 1995; Yaprak 2003). Placed under the umbrella term “equivalence,” this assessment is critical in ensuring that findings from cross-national/cultural studies are not simply scaling or measurement artifacts but rather true cultural differences among markets along the underlying constructs under study. Rich in variety (construct, measure, sample, sampling, translation, scale, calibration, response, instrument, and so forth), equivalency problems have concerned international marketing researchers during the field’s rise to adulthood.

For example, construct equivalency pertains to “true” differences among markets on the underlying concepts and all the issues related to valid, reliable, and unbiased ways of capturing them. This requires ontological and epistemological considerations. Concepts between the cultures may or may not be transferable: Even if a construct is transferable, it may not serve the same function across borders (e.g., a bicycle may be recreational or a basic mode of transportation), it may have different categorical interpretations (e.g., Pizza may be chic in Europe but a convenience food in the United States), it may not be part of the “meanings repertoire” of the culture at all, and so forth (Craig and Douglas 2000). Several coping mechanisms offer promise in resolving construct equivalency issues. These include quantitative techniques, such as factor analysis, and qualitative research with interpretative emphasis, such as triangulation (Craig and Douglas 2000; Yaprak 2003).

Another equivalency issue that has plagued international marketing has been measurement equivalence. According to Steenkamp and Baumgartner (1998), this problem is especially challenging because (1) a bewildering array of types of measurement invariance can be found in the literature, (2) there is lack of agreed-on terminology to refer to the different
kinds of measurement equivalence, (3) researchers are relatively unfamiliar with testing measurement models that incorporate techniques that use latent variables, (4) considerable methodological complexities are involved in testing for different kinds of measurement invariance, (5) there are uncertainties about the extent to which measures must be equivalent for particular cross-national comparisons to be meaningful, and (6) there are no clear guidelines on how to ascertain whether a measure exhibits cross-national invariance. Recently, several structural equation modeling approaches have been shown to be promising in tackling measurement inequivalency problems in the field (Mullen 1995; Myers et al. 2000; Singh 1995; Steenkamp and Baumgartner 1998).

Sample and sampling inequivalencies continue to contaminate research in the field as well. The scant interest in the topic appears to stem from the researchers' relaxed attitudes toward sampling in general. Typically, “the affordable-largest size” samples are conveniently accepted as remedies for sampling problems. The sample selection problem is compounded by field-specific considerations that call for well-defined and valid constructs that are consistent across samples. Studies show that there is no systematic inclination for any national sample to record high or low reliability consistently across different types of measurements or variables. The incidence of reliability differentials seems to vary according to the type of variable; for example, attaining measure equivalence in cross-national surveys appears more difficult for attitudinal and perceptual variables than for demographic and other background variables (Davis, Douglas, and Silk 1981; Parameswaran and Yaprak 1987).

Although attention given to these issues in recent research is an indication of the field’s advance in coping with its indigenous problems and is an encouraging sign of scientific maturity, it is necessary to be realistic in conducting cross-market or cross-cultural research. Although the call for higher methodological standards is well intentioned, zealous concern over establishing equivalence may limit many cross-cultural and, especially, cross-market consumer behavior studies. For example, samples may not be equivalent across industries, regions, or demographic categories even within the domestic market, but equivalence is typically assumed. Thus, although there is the need for better methods to ensure equivalencies in international marketing studies, realistically, cross-cultural samples can never be perfectly equivalent. Access to and availability of data are additional hindrances, as are the higher costs of gathering cross-national data (even if it were possible to relax equivalency concerns).
We believe that the future of international marketing research is exciting. A wide range of promising research questions is emerging on the horizon that can substantially enhance knowledge development in the field. Table 4 outlines a sample of the research directions we believe are worthy of investigation (see also Cavusgil 1998). In the subsequent discussion, we elaborate on several of these promising avenues.

Not only has Internet-mediated communication revolutionized business-to-business connectivity through private portals, but it has also brought about universal consumer access to information. As a result of the proliferation and global impact of media networks, a global (or, perhaps more appropriately, a regional) consumer has emerged. For example, networks, such as MTV, have had a profound impact on the purchasing habits of teenagers around the globe, and masses of consumers around the world now access corporate and public databases on the Web. These “global-net” consumers, who are hybrids of local and global cultures (Thompson and Tambyah 1999; Tomlinson 1999), increasingly satisfy their

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<th>Domains of Study</th>
<th>New Research Needed</th>
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<td>Ontological domain</td>
<td>Ontology attempts to formulate an exhaustive and rigorous conceptual schema within a given domain. Ontological advances are welcome in at least three avenues: (1) strengthening weak notions and divergent conceptualizations in current empirical investigations (e.g., what makes a concept or construct “international”), (2) deeper reflection on the paradoxes that are embedded in the field’s established contingent conditions (e.g., the market responsiveness versus the global integration dilemma), and (3) vigorous skepticism about the empirical findings in the host country and patterns of managerial practices (e.g., the simultaneous nature of the impact that core capabilities might have on performance, that is, enhancing, yet inhibiting, performance).</td>
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<td>Thematic domain</td>
<td>Better understanding of the new global/regional consumer, better understanding of the unique workings of emerging markets, global/semiglobal/regional marketing strategy, deeper explorations of standardization versus adaptation of strategy, global/regional supply chain governance, valuation of marketing processes in the global firm, global integration of marketing activities, degree of globalization of the firm, liability of foreignness, interdependencies between corporate strategy and network diversification, meta-analyses of research streams.</td>
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<td>Methodological domain</td>
<td>Better definitions of and consistency in the use of units and levels of analysis, greater rigor in construct and scale development and the operationalization and validation of constructs, deeper focus on external validation and equivalencies, richer formulation of performance constructs, better formulation and operationalization of intangible constructs (supplier relationships, customer equity, innovativeness).</td>
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thirst for global products by expanding beyond their tradition-bound cultures. Accordingly, a deeper understanding of these “cosmopolitan” consumers, who possess strong self-definition and identity in their local cultures while displaying equal comfort in global contexts, is becoming increasingly important to the conceptual development and managerial practice in the field (Cannon and Yaprak 2002).

This challenge is particularly trying in the new frontier of emerging markets, in which billions of consumers thirsty for “modern” products increasingly demand the most advanced and the most chic-branded products to satisfy their rising expectations and to signal to themselves and to others that they, too, have arrived in the modern world of consumption (Batra et al. 2000; Cavusgil, Ghauri, and Agarwal 2002). A better understanding of the underlying sociopsychological drivers of the value transformations that guide the purchase behavior of these bottom-of-the-pyramid consumers is significant in better framing and implementing marketing strategy (Prahalad and Lieberthal 1998). A related issue concerns the necessary focus on understanding the inner workings of emerging-market environments so that the international marketer can more properly function in contexts that are becoming increasingly more institutionally imperfect (Khanna and Palepu 2000). Marketers need to understand and cope more effectively with government, structural, and market-induced imperfections, and they need to learn to leverage their global-scale advantages across emerging markets (Khanna and Palepu 1997).

A new frontier in international marketing strategy requires a better understanding of the underlying approaches of marketers’ international expansion as colocation of firms and geographies (Ghemawat 2001). Moving away from understanding entry modes and firms’ market entry behavior as expansions from one market to another, this new perspective requires greater appreciation of the roles played by cultural, administrative, geographic, and economic distances in international expansion and better framing of the marketer’s strategy as regional, global, or semiglobal (Ghemawat 2003a). This perspective necessitates sharpness in commingling etic and emic approaches to market analysis and keener skills in leveraging economies of scale and scope among the firm’s markets (Ghemawat 2003b). That is, skills in blending firm-based and location-based advantages about activities, resources, and knowledge are becoming increasingly valuable in framing the firm’s international expansion strategy (Porter 1996). Researchers must explore how this can be accomplished effectively by following the pioneering questions that Ghemawat (2003a, b) asks on this topic.
Another stream of new research in the strategy arena arises from the standardization versus adaptation paradox, which has intrigued marketers since the origins of international marketing as a field of study (Buzzell 1968). This is because, on the one hand, common technology and protocols increasingly unite customers and markets, and on the other hand, customers with disparate ideas and aspirations increasingly use technology to express their individuality. Increasingly, mass and niche segments exist side by side in individual country, regional, and global markets. Global brands, such as IBM, Microsoft, Coca-Cola, Nestlé, Nokia, Sony, *Friends*, and *Seinfeld*, are becoming revered by masses of consumers around the globe and command global audiences with little or no adaptation. Global companies that are skilled at matching the expectations of the discerning customer by customizing their product, presentation, or channels thrive in such niches. Companies that opt to localize their marketing approaches must do so in response both to growing competitive pressures and to growing market segments that are willing to pay extra for individualized solutions.

Firms’ relationships with their international partners provide rich research opportunities. Four avenues deserve particular attention. First, more robust conceptualizations of relational governance and its value as an international channel strategy are necessary. The firm’s active and ongoing effort to ensure smoothly functioning governance of its relationships through a facilitating mechanism that contains combinations of formal and informal schemes has become extremely important. Second, although relational governance is treated in the literature as a mechanism to regulate foreign partner behavior, its relevance as a strategic asset has been overlooked. Further research should examine relational equity or capital as a key strategic capability of the firm. Third, the issue of how process, foreign market, and partner factors regulate relational governance arrangements is worthy of further investigation. Fourth, researchers should explore empirical and theoretical considerations of relational governance frameworks and empirically test these in international marketing channels.

Because emphasis in prior governance studies has focused on considerations of exchange, such as the attributes and boundaries of the relationship, less attention has been devoted to processes that keep the partnership viable. There is greater need for a deeper understanding of what makes and encourages relational equity in cross-border channels.

Recently, marketing’s contribution to the firm has been questioned: What value do marketing activities add to the organization? What is the unique contribution of marketing in the contemporary firm? In particular, what are the intermediate
outcomes that can be attributed to marketing programs? For the globally active firm, these issues are of vital importance. Marketing scholars must delineate specific value-adding contributions that can be articulated in measurable outcomes (Yeniyurt, Cavusgil, and Hult 2005).

Another fruitful area of study concerns marketing’s role in adding value to the global company. This research avenue should investigate marketing managers’ responses to the interplay between environmental stimuli and organizational drivers while formulating marketing programs within the global firm. Managers interpret these signals and engage in activities that result in a series of marketing strategies, processes/routines, and structures. Activities that are especially critical (and thus deserve critical attention) include global account management, customer service, global procurement, global supply chain management, distributor support, sales force training, global branding, global product development and launch, market opportunity assessment, competitive analysis, price setting, and the development of global centers of excellence. Such activities should add value to marketing, provide a set of key marketing outcomes, or both. These outcomes can be construed as organizational capabilities, such as brand equity, customer base and loyalty, channel relationships, and new products. International marketing scholars need to develop metrics that are designed to capture these intermediate marketing outcomes in the global company. They need to define carefully the necessary constructs and appropriate measures that can be used in the multinational corporation. When such metrics are developed and validated, their empirical relationship to traditional, firm-level financial performance indicators should also be investigated.

Although the globalization of business is not a new phenomenon, multinational companies are under increasing pressure to coordinate their value-added processes more effectively on a worldwide basis; eliminate redundancies that currently exist in a loosely connected network of affiliates and partners; and institute mechanisms for cross-fertilization, sharing, and best-practice dissemination. For the multinational firm, it is imperative to integrate home-office and distant country operations because of growing competitive intensity and industry consolidation. Notably, for the first time in history, companies now have the means to connect worldwide operations more efficiently. The Internet and accompanying information technology applications provide a powerful tool to achieve electronic connectedness. As a result, today, the modern enterprise is a network of interconnected responsibilities (Cavusgil 2002). Network-based information is causing everyone in the enterprise to be engaged, regardless of physical location or functional space.

Global Integration of Marketing Activities
What remains to be established is the degree to which firms derive value from the integration of marketing activities on a global scale. How well are marketers rising to the challenge of coordinating price, product, branding, and channel activities around the globe? How well accepted are practices such as global account management, global product launch, and uniform global pricing? How are managers relying on information-based networks to create value both from and in diverse markets as they exchange goods, services, and knowhow within their enterprises and across their supply chains? How successful are firms in disseminating data, knowledge, and experience across their entire networks? How useful are platforms such as knowledge portals and intranets in sharing and disseminating knowledge and experience within the global corporate family? These and similar issues require careful attention from marketing scholars with a view toward further theorizing of marketing advantage in the modern international marketing firm.

The international business literature elucidates the transformation process of leading firms toward becoming truly global companies (Kogut 1985; Perlmutter 1969); there is much justification provided for this phenomenon (Douglas and Craig 1989; Johansson and Yip 1994; Levitt 1983; Ohmae 1989). Initial efforts to measure globalization gauged achievement with purely quantifiable measures, such as the percentage of sales occurring outside a home market, global market shares, and the number of foreign affiliates. Recent advances have recognized the need to measure subjective constructs, such as corporate leadership’s attitude toward global operations, the presence of a geocentric outlook, and cross-cultural integration. The marketing literature is particularly rich with investigations of the relative degree and performance of global marketing strategies (Birkinshaw, Morrison, and Hulland 1995; Cavusgil and Zou 1994; Jain 1989; Samiee and Roth 1992). Recent advances have coalesced the disparate measures of a global marketing strategy into a common framework (Zou and Cavusgil 2002), and the construct of the global mind-set has also been developed into a meaningful scale (Murtha, Lenway, and Bagozzi 1998).

Although much knowledge has been gained about these aspects of conducting business from a geocentric perspective, a generally accepted conceptualization and measure of what constitutes a global company remains a major gap in the literature. A holistic measure of the degree of a company’s globalization has not yet been fully captured through a defined scale. This gap impedes the advancement of knowledge because findings from different studies cannot be meaningfully compared, measurement of firm performance through various indexes has become difficult, and assessment of the relationship between the firm’s degree of global-
ization and its performance is complicated. Thus, more work must be done in this area (Cavusgil, Ghauri, and Agarwal 2002).

Over the past decade, international markets have become considerably more open. In the more liberal international investment environment, firms now have a real choice between international market diversification (extending the geographic scope of their present businesses) and intranational business diversification (entering into new businesses in their presently served markets). An interesting research topic in this context would be to investigate whether deconglomeration is a consequence of the opening up of numerous international markets (i.e., an action by conglomerates to free up resources to pursue growth through more profitable international market diversification in core businesses in place of less profitable intranational business diversification; Varadarajan, Jayachandran, and White 2001).

Managing a global account involves extending dedicated service to a partner with a customized structure so that a strategically critical relationship will be driven by global strategies of both the firm and its partner and integrated market offerings. Rapid globalization of firms has created unique challenges for global account managers (Arnold, Birkinshaw, and Toulan 2001; Shi et al. 2004). Until recently, account management experience has primarily been in upstream activities, such as production, research and development, and financing, for which there were economic and control benefits. Downstream activities, such as customer management, were left to host-country managers to achieve the maximum local responsiveness possible.

However, recent demands in international partnerships have compelled companies to consider a wider spectrum of activities as they face new challenges in delivering consistent worldwide service and a single point of contact, outsourcing for customers, and the most effective global account structure to achieve sustained profitability (Yip and Madsen 1996). Questions that deserve particular attention in this context include the following: What operational and structural configurations, compensation, and reward systems yield superior performance? How does a company achieve uniformity and standardization without ignoring the need to meet customers’ local needs? How does the firm develop global pricing policies and product and service offerings that take into account the impact of local statutory requirements, tariffs, labor, infrastructure factors, and other limitations? What is the best structural configuration for a special account so that long-term benefits will persistently accrue to the firm? Considerations such as these have become relevant for managerial practice as the firm targets a long-term rela-
As fields of study prosper and evolve, their scholars reflect on how concepts, methods, and methodologies have progressed, and they make projections about how these might be reframed in the future. In this article, we reflect on the development of international marketing as a field of study from its early years in the 1960s to the present through ontological, thematic, and methodological lenses, and we offer projections about its future development. Our summary assessment is that despite various limitations, scholarly work in the field has been reasonably rich, diverse, and illuminating along these three dimensions. We also note several positive trends that signal growing recognition of the field and its scholars’ research: the growing volume of research originating from many parts of the world, the proliferation of new outlets publishing research in the field, cross-national collaborative research projects, the adoption of more rigorous research methods and psychometric standards, and, most important, the growing number of doctoral programs that offer international marketing specializations. These trends will be fortified when international marketing scholars receive increasing recognition from their peers through their sharper focus on proper knowledge creation. This requires sustained effort in the conceptualization of complex relationships; appropriate observation and data collection procedures; the crystallization of key constructs before use; the specification of linkages, such as those among structure, strategy, and performance; and validation through empirical analyses. International marketing managers will gain increasing recognition in their firms by keeping a sharp focus on generating the value-added outcomes related to customers, brands, channel relationships, and innovation. In summary, we believe that future work in the field will be conceptually exciting, theoretically meaningful, and managerially more relevant.

Before the mid-nineteenth century, many research projects were successful in linking malaria to mosquito presence, but none was able to provide the explanation for the ailment. It took Mendel’s genetic laws to delineate how the malaria parasite slowed detection by the immune system while it genetically transformed to attach itself to blood cells. In a similar vein, we hope that international marketing scholars will live up to comparable challenges in providing powerful explanations about the unique problems of cross-border marketing practices. We are confident that scholars will take on this challenge as the field moves from its adolescence to its productive years in the decade ahead.

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