

**How the Customisation–Standardisation Debate Influences Market Selection for Small
and Medium-Sized Enterprises (SMEs)**

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Due date

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Standardization is the process of applying similar marketing strategies to different markets in a bid to cut promotional costs and strengthen brand identity. However, it may not work in culturally or legally diverse areas (Eze et al., 2024). Customization enhances topicality since it targets tastes and wants peculiar to specific regions but is resource-intensive. Glocalization incorporates the two to a certain extent, making it an efficient and affordable approach for SMEs. Small and medium enterprises planning to go international are faced with deciding the mode they wish to adopt to market their products. One factor during this process is whether the products should be standardized to keep costs low or localized to match the local market culture. The customization–standardization debate determines directly which markets the SMEs must enter and impacts readily available resources, compliance, competitiveness, and customer reach. Identifying appropriate markets is crucial, depending on which strategy makes the most sense and fits the objectives and scale of resource-scarce SMEs.

Influences on Market Selection

Cultural Relevance and Customer Preferences

Culture has a significant impact on market selection. Strategic standardization exists when venturing into culturally similar markets because it is time-consuming and less costly. Some of these strategies, though, may need to be modified because the context of operation in these markets may be culturally incongruous. For example, a skincare SME may maintain its formula but change the container and textual elements in East Asian countries to correspond with local standards or terminology (Sharabati et al., 2024). Because of time, cost, and availability constraints, SMEs usually do not enter markets requiring intensive cultural standardization in the domestic country.

Regulatory Requirements and Compliance Costs

The laws vary between markets and may need to be changed to certain extents depending on the legal requirements of the particular market in which the firm is operating. For example, European legislation prescribes severe conditions for food and cosmetics; it forces SMEs to change the composition or design. This leads to such requirements, increasing entry costs and operation requirements. This means that SMEs can focus on markets whose regulations they understand or those that allow great flexibility to adapt standard offerings without significant changes.

Financial Resources and Operational Constraints

Standardization will help SMEs save money and reduce costs, benefiting any company with small finances. The decisions also make it easier for firms to operate efficiently when they produce and market a single version of a product. Thus, SMEs may prefer those markets where the level of customization is not very high. On the other hand, customization increases product differentiation in competitive markets but is costly. Resource availability effectively determines the feasible strategy and the markets that can be served.

Digital Marketing as a Strategic Tool

Digital marketing technologies support flexible, low-cost market engagement. According to Sharabati et al. (2024), SMEs can use platforms like social media and search engines to test content, gather insights, and reach audiences with minimal expense. This supports a localized approach since it permits the standardization of Brand visuals alongside local message creation. For instance, small businesses leveraging Facebook Ads can set their campaigns to be global, with language, or offer tweaks by geographical regions. These tools allow the establishment of new subsites that require little capital investment and help SMEs navigate to the best-performing digital engagement markets.

Canva, an Australian design platform that began as an SME, demonstrates glocalization effectively. Its core software remains the same across markets, but the company adapts its templates and promotional content to local cultures and languages (Sharabati et al., 2024). This strategy enables efficient operations while increasing customer connection. Another example is BakeMyDay, a bakery SME from Jordan that explored the Saudi Arabian market using Instagram insights. Upon identifying a preference for date-filled pastries, the company adapted its product while maintaining core production methods. This blend of customization and standardization enabled effective market entry without extensive costs (Sharabati et al., 2024).

Conclusion

Integrating the concepts of customization and standardization in the evaluation of markets constitutes a key factor influencing SMEs' decisions. Standardization fits into culturally related or modal markets, whereas customization applies to country-specific or highly competitive markets. In the military, strategy choice depends on the objective, the capacity to implement it, and the amount of knowledge about the enemy. This process is further aided by digital marketing as it allows for a low-cost audience assessment and adjustments on the go compared to market entry, which can be very high-risk. Marketing communication decisions need to reflect the conditions surrounding the SME markets. Thus, international markets are selected based on culture, regulation, resources, and decision support system: customization or standardization.

References

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