

GLOBALIZATION AND INTERNATIONAL MARKETING

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Abstract: The globalization of marketing is on the list of the consequences of the globalization of the world economy, directly influencing the international affairs. Integrated international marketing is characterized by standardizing the marketing strategies, the mix of programs and the processes of marketing. In assessing the state of globalization of the consumers one should take into account that national and cultural influences continue to determine the consumption patterns which vary from one market to another and that their true globalization will begin to occur only when the globalization road stops being a one-way street.

Keywords: globalization, standardization, international marketing, competitive strategies, strategic options.

Introduction

Today globalization is an issue that each producer must take into account in order to respond to an as large extent as possible to the needs and demands of the consumers who are on the international markets. The development strategies created for this purpose must be tailored to the highest standards in order to compete with the opponent companies.

1. International Markets

At a global level, marketing refers to all the marketing activities responsible for supplying goods and services to consumers from different countries.

Thus, choosing not to carry on activities on different international markets is no longer an option because not being present there is quite a disadvantage. Each and every company must broaden its horizon and must develop comprehensive strategies tailored to this broad context of globalization in order to successfully meet the needs and requirements of the consumers found constantly on international markets.

The aspects that must be taken into account in the initial phase when a company chooses to enter the international market are represented by the proper selection of the market and its careful study. Then the company will have to strengthen its presence in that space, by developing new products that are adjusted to local tastes and preferences. As the company's expansion takes place, it will be able to focus its financial resources on the improvement of the integration and coordination of its activities carried out on the international market.

The company's commercial theories about the international markets provide a structure for understanding and predicting the patterns of international business while the predominant form of the trade relationships between nations is represented by the transactions between independent buyers and sellers from different countries. Trading relationships are based on an absolute advantage or a comparative advantage.

These theories have a number of **limitations** due to the fact that the hypotheses simplify the reality.

- The factors of production (capital, labour and land) are considered to be immobile between countries.
- The information on foreign trade opportunities is perfect.
- Companies in different countries are considered independent entities.
- The market is characterized by perfect competition, the oligopoly or monopoly situations being neglected.
- Products are considered standardized and transferable.

- The elements of technological, managerial and marketing know-how are not recognized as bases of the comparative advantage.
- Imports and exports are considered the only ways of transferring goods and services from a market to another.

The market is most effective when the transactions are among a large number of buyers and suppliers. It presents disadvantages when the transactions have a high degree of uncertainty, when long-term exchanges are made with complex and heterogeneous goods among a limited number of partners, or when the items are difficult to be traded (e.g. technological, managerial, and organizational know-how, or loyalty to a brand).

The selection of foreign markets is based on three groups of variables: the consumer, the markets and the field of activity.

Formal criteria relate to the market size, the market dynamics, the market structure, the market accessibility and competition.

The content criteria take into consideration the potential risk, the degree of innovation, the growing potential of the segments, the similarity between them, the intensity of competition and its structure etc.

The internal criteria relate to: the company's size, know-how, resources, the company's orientation towards growing, its innovative strength, its competitive strategy.

The selection of foreign markets has several stages:

- I. The general evaluation of the markets based on a rough segmentation or a macrosegmentation refers to identifying the macrosegments formed by countries; defining the profile of each country according to its particular characteristics; obtaining a group of countries selected on political, socioeconomic / cultural criteria.
- II. The identification of the customer segments within the country or the group of countries selected in the previous step is accomplished by identifying the segments of the potential customer and users, and by defining the potential consumers' profile based on the relevance to the specific characteristics of each.
- III. The aggregation, re-aggregation when transnational segments are delineated based mainly on content criteria.

Within the globalization of markets a great emphasis is placed on building strategic international alliances. These are the business arrangements through which two or more partners agree to cooperate to the mutual benefit of them, being designed specifically to support or strengthen the competitive advantages of the partners. The motives of forming these alliances are related to entering new markets, sharing the risks of high investment, sharing the costs and risks of research and development, launching a counterattack against competition, commissioning consumption of global resources, learning from partners.

In relation to marketing globalization it has to be analyzed the action of standardization of the products, too. The advantages of the standardization policy are related to the standardization of the international marketing mix, the important economies in manufacturing, the homogenous presentation of the product, the reduction of the research and development costs, product uniformity.

In contrast the disadvantages refer to:

1. the flexibility of marketing is often lost on foreign markets,
2. the standardization of products may delay the achievement of some high levels of penetration on certain markets,
3. the standardized products may not attract buyers on certain markets and often they do not meet the local regulations,

4. the concentration of the decision-making power and control over the marketing policy at the company headquarters, which means dependence on a small decision-making group,
5. the differences between the consumers' characteristics and end-users' characteristics.

2. International Business

The internationalization process of the company is an extremely complex one, which depends on the action of several factors, such as: the under-utilized resources, the opportunities offered by the foreign markets, the existence of a solid and sustainable competitive advantage, the possibility of using globally the competitive advantage, gaining control over some markets, minimizing the impact of tariffs and exchange rates.

The factors influencing a company's performance in international marketing are:

- the company's characteristics – size, geographical location, financial resources, production and logistics resources, product portfolio, cost structure – are the main features of the company that influence its performance in international marketing.
- the company's behaviour – along with the company's characteristics, its behaviour influences the level of performance in international marketing. We analyze this aspect from the point of view of the managerial behaviour and the employees' behaviour.
- the managerial behaviour – the managers' behaviour in the process of becoming international is influenced by their aspirations, involvement, expectations, attitude towards growth and internationalization, i.e. their cognitive style.
- the employees' behaviour – in order to be successful in international marketing, the employees' behaviour has to have the following features:
 - the ability to interpret the needs, requirements and consumers' tastes from the foreign market;
 - tenacity, perseverance, continuity, patience;
 - accepting small orders;
 - the 'aggression' of the approach;
 - global vision;
 - correctness and reliability;
 - rapidity in action.

The globalisation of marketing is the consequence of the phenomenon of the world economy globalisation, which affects all international business directly. The determinant factors of the marketing globalization are related to the globalization of the markets, sectors and competition.

The increase of the globalization of the buying forces which the companies face, compel them to devise more consistent marketing plans and programs and to standardize products and advertising campaigns.

The car and computer sectors are characterized by high research and development costs which can be recovered only by large sales on a global basis.

Integrated international marketing is characterized by standardizing the marketing strategies, the mix of programs and the processes of marketing.

3. International Competitiveness

At the level of the international business emphasizing competitiveness among participants is one of the major features of the present.

International competitiveness has the following features:

- the dynamics of the competitive environment: given by the number and strength of the competitors, confrontation on a turbulent environment, multiple factors of uncertainty;
- the heterogeneity of the competitive environment: large differences in the international marketing tactical tools used on external markets, hostile market environment (tariff and non-tariff barriers, a market influenced by the measures taken by decision-makers with different interests, etc.);
- the intensity of the competition is measured by the speed with which the advance made by a competitive company (in terms of profit) is cancelled by the successful imitations made by other competitors; this may increase together with the active company's ability to meet the gained additional demand, especially in the case of a high degree of homogeneity of supply and of a high transparency on the market;
- the stage of the life cycle of the reference market, which is different for a young market, compared to the case of a stagnant or saturated market.

We are currently witnessing an increase in the competitive nature of the global economy, led by increased concerns for the identification of the factors which determine competition, competition analysis profiling, analysis of the typology of the competitive reactions, research of the disorders recorded in the competitive mechanism.

Conclusions

The effects of globalization process on the economics must be analyzed from the perspective of both parties involved in this process: companies and consumers. From the organization's point of view, we should bear in mind that, although not all the companies are interested in expanding their market beyond the borders of a certain country, however, in one way or another all of them are actually involved in this process. This is because, on the one hand, they enter into competition with companies that extend beyond national markets, and, on the other hand (to a lesser extent though), the consumers' demand from a particular market can migrate to another one.

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