

# ***THE CONTRIBUTION OF MARKETING TO GLOBALIZATION***

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**Abstract:** Globalization as terminology today is often used within the overall socio political issues of the country. Globalization represents a process run by certain interests may qualify as an expression of certain values that through material culture of material production. Resources which are core drivers of economic doctrine of globalization in the world today are manifested in different directions which often cause side effects. There the question is whether the consumption causes globalization or as a result of it. The consumer motivation of people and their lifestyles expressed through the marketing philosophy of organizing entire life, causes changes in many segments of the organization of economic and political spheres of social life. These aspects cause changes that determine the changed role of men as producers and consumers.

Segmentation of space, time and experience, then their reaction for the expansion of marketing, in fact, is a way of acting marketing.

Simultaneously with the reaggregation of what we call commercial environments of categories products, brand premises and consumer hierarchy of needs, and the construction of imagined territories that make up the new space of globalization. The moment of activation of the reaggregation of marketing units are located at the level of specific activities that converge on the individual in terms of global consumer behavior. In this sense, one could say that the practices of those on the market meet a specific dimension of globalization, namely the growing category of individual as consumer

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## ***INTRODUCTION***

The geo location of the new global commercial environment is not imaginary in the sense that there is no location, which takes place only in the mental dialogues. Instead, the new environment is placed in locations that are simply moved from previous physical extension of space, time and experience, as people establish in their overall integrated social context. It's like sharing time with those offered and sold in the market tend to control (as compared to their competitors) parts of human activities, which are then segmentation, according to the classification models that differ from the usual organization experience and that can be considered currently globally reaggregated.

The market environment is becoming a reality for those on the market and for consumers. On one level, this is co participative framework for consumers in their own individual search for satisfying desires to consider the market for the most rational and the most effective way for it. As long as the vision of a good life is shared in its convergence with respect to the realization of human happiness through the fulfillment of individual needs and desires according to the production model of prosperity and abundance, then there is every reason to mention marketing of capitalism as a system of consensual maintained providing.

On the other hand, transnational marketing companies are a way of taking practical steps towards the realization of corporate globalization. Global marketing can continue to perpetuate it as a profession critical to Modern Corporation, largely as a result of the imperatives of corporate expansion system defined by the limits of capitalism. Therefore, companies competing with each other to compete for finding new resources and new markets for their products and services. However, the principles and practices of global marketing can be understood only as an extension of economic adjustments, implemented by trained technical staff - a stance that implicitly encourages ethnographic lack of attention paid to them. Marketing is a cultural system providing precise, dedicated to creating a consumer type is characterized by ideology or belief that man can find happiness and become what they want through a designed lifestyle. In marketing it's all about attracting people into global set of this unique type of fulfillment of desires.

## ***GLOBALIZATION AND CULTUROLOGICAL ORIENTATION***

When marketing is applied in developing countries, particularly become prominent both totalizing index of its cultural orientation - globalization and lifestyle. In light of the corporate imperative to cross the border and sell products in larger quantities, for those who put on the market it becomes necessary to borrow inappropriate theories of disparate cultural traditions. Instead, they invent their own models that, with seemingly apparent precision, to predict the behavior of consumers and markets on a global scale. This exercise is carried out simultaneously as a finished example of the organization of the company, further confirming its subjective validity before managers.

The model of marketing that goes beyond borders undermines national boundaries by referring to logic for political-economic organization, namely, the basic relations between producers and consumers are located in a de-territorialized world. On the other hand, the frame of lifestyle is a pragmatic basis for the theory of moving across borders and practice of marketing. In essence, the lifestyle is forecast for imports of consumer goods, both in the areas of social, cultural and commercial or trade relations. Lifestyle is only a superficial theory of diversity.

For those participating in the market, global lifestyle successfully overcomes obstacles created by political, economic and cultural differences, which takes functionality and the idea of national boundaries.

Managers are trying to change the structural and cultural conditions in the target environment, after which the environment will become more receptive to global consumer products intended for consumers who survive with relatively lower incomes.

To become a customer, is to become a special kind of cultural being, participates in emerging mutual system, cultural exchange and implied a mutual relation between the market and the consumer, which is very different from the system that interferes with any other interchange between buyer and seller in other market situations.

The cultural contributions of those who put on the market in the notion of "global consumer" to reflect a new vision of identity in which there are no traditional geographic boundaries derived. Through acquisitions within the lifestyle, consumers can establish any identity, regardless of where they are located. The ideology of those marketed for choice and freedom implies a universal teleology of desire that marks the individual as a warehouse and as a final point of meaning and identity. Evolution that those working on the market refer to the process by which individuals everywhere advance towards the realization of meaning and identity through voluntary and rational realized the fulfillment of desire through the procedures of purchase. Those who marketed themselves as the main educators in this process, their job is to introduce people with nicer things in life, you learn how to be consumers, not just how to make exchanges of products for money. They are even prepared to break the ancient ties that could act as barriers to achieving meaning through the satisfaction of desire in the consumer. The models used for taming which refer to general assumptions, typical patterns of global marketing: detailed hierarchy evolution, fetishism for Western consumer goods and liberalization with one or another ideological inclination. But those on the market are not explicitly advocates to gain power in its political form, but they tend to exercise power in its economic form. In particular, attention should be paid to the performance of the market in terms of competitors and general market aspects, instead of consumers.

On the other hand, the fact that those present on the market act within the universal paradigm that is governed by consumption. They believe in universal internal psychological tendencies that cross the boundaries of the local culture. With intelligent use of promotional techniques, these universal reflexes can engage safely through the boundaries of cultural tendencies to contribute to the further development of specific patterns of behavior that mimic the marketing standardization and globalization of firms.

## ***DECISION MAKING IN THE GLOBAL MARKETING ORGANIZATION***

Companies manage their international marketing activities in at least three different ways: Most companies first organize an export department, then create an international division, and finally become a global organization.

A firm normally gets into international marketing by simply shipping out its goods. If its international sales expand, the company organizes an export department with a sales manager and a few assistants. As sales increase, the export department can expand to include various marketing services so that it can actively go after business. If the firm moves into joint ventures or direct investment, the export department will no longer be adequate.

International divisions are organized in a variety of ways. The international division's corporate staff consists of marketing, manufacturing, research, finance, planning, and personnel specialists. They plan for and provide services to various operating units, which can be organized in one of three ways. They can be geographical organizations, with country managers who are responsible for salespeople, sales branches, distributors, and licensees in their respective countries. Or the operating units can be world product groups, each responsible for worldwide sales of different product groups. Finally, operating units can be international subsidiaries, each responsible for its own sales and profits.

Several firms have passed beyond the international division stage and become truly global organizations. They stop thinking of themselves as national marketers who sell abroad and start thinking of themselves as global marketers. The top corporate management and staff plan worldwide manufacturing facilities, marketing policies, financial flows, and logistical systems. The global operating units report directly to the chief executive or executive committee of the organization, not to the head of an international division. Executives are trained in worldwide operations, not just domestic or international. The company recruits management from many countries, buys components and supplies where they cost the least, and invests where the expected returns are greatest.

Moving into the twenty-first century, major companies must become more global if they hope to compete. As foreign companies successfully invade their domestic markets, companies must move more aggressively into foreign markets. They will have to change from companies that treat their international operations as secondary, to companies that view the entire world as a single borderless market. (Byrne A. J., Kerwin K., 1994, pp.24-26)

## ***DECIDING ON THE GLOBAL MARKETING PROGRAM***

Companies that operate in one or more foreign markets must decide how much, if at all, to adapt their marketing mixes to local conditions. At one extreme are global companies that use a standardized marketing mix, selling largely the same products and using the same marketing approaches worldwide. At the other extreme is an adapted marketing mix. In this case, the producer adjusts the marketing mix elements to each target market, bearing more costs but hoping for a larger market share and return.

The question of whether to adapt or standardize the marketing mix has been much debated in recent years. The marketing concept holds that marketing programs will be more effective if tailored to the unique needs of each targeted customer group. If this concept applies within a country, it should apply even more in international markets. Consumers in different countries have widely varied cultural backgrounds, needs and wants, spending power, product preferences, and shopping patterns. Because these differences are hard to change, most marketers adapt their products, prices, channels, and promotions to fit consumer desires in each country.

However, some global marketers are bothered by what they see as too much adaptation, which raises costs and dilutes global brand power. Marketers at these companies believe that advances in communication, transportation, and travel are turning the world into a common marketplace. These marketers claim that people around the world want basically the same products and lifestyles. Despite what consumers say they want, all consumers want good products at lower prices.

Proponents of global standardization claim that international marketers should adapt products and marketing programs only when local wants cannot be changed or avoided. Standardization results in lower production, distribution, marketing, and management costs, and thus lets the company offer consumers' higher quality and more reliable products at lower prices.

Global standardization is not an all-or-nothing proposition but rather a matter of degree. Companies should look for more standardization to help keep down costs and prices and to build greater global brand power. Although standardization saves money, marketers must make certain that they offer what consumers in each country want. (Donegan L., 1997, pp. 19)

Some international marketers suggest that companies should "think globally but act locally." They advocate a "global" strategy in which the firm standardizes certain core marketing elements and localizes others. (Hamilton M. M., 1998, p. H1) The corporate level gives strategic direction; local units focus on the individual consumer differences. They conclude: global marketing, yes; global standardization, not necessarily.

### *Product*

Five strategies allow the adaptation and promotion of product to a foreign market, actually exist three product strategies and two promotion strategies.

Straight product extension means marketing of a product in a foreign market without any change. Top management focuses marketing on people: "Take the product as it is and find customers for it." The first step, however, should be to find out whether foreign consumers use that product and what form they prefer"

Product adaptation involves changing the product to meet local conditions or preferences. In some instances, products must also be adapted to local superstitions or spiritual beliefs.

Product invention is consisted of creation of something new for the foreign market. This strategy can take two forms. It might mean reintroducing earlier product forms that happen to be well adapted to the needs of a certain country.

### *Promotion*

Companies can either adopt the same promotion strategy they used in the domestic market or change it for each local market. Consider advertising messages. Some global companies use a standardized advertising theme around the world.

Other companies follow a strategy of communication adaptation, fully adapting their advertising messages to local markets. Media also needs to be adapted internationally because media availability varies from country to country.

### *Price*

Companies also face many problems in setting their international prices. Another problem involves setting a price for goods that a company ships to its foreign subsidiaries. If the company charges a foreign subsidiary too much, it may end up paying higher tariff duties even while paying lower income taxes in that country. If the company charges its subsidiary too little, it can be charged with dumping. Dumping occurs when a company either charges less than its costs or less than it charges in its home market.

Recent economic and technological forces have had an impact on global pricing. The Internet will also make global price differences more obvious. When firms sell their wares over the Internet, customers can see how much products sell for in different countries. They might even be able to order a given product directly from the company location or dealer offering the lowest price. This will force companies toward more standardized international pricing. (Porter M. A., 1999, pp. 24)

### *Distribution Channels*

The international company must take a whole-channel view of the problem of distributing products to final consumers. There are three major links between the seller and the final buyer. The first link, the seller's headquarters organization, supervises the channels and is part of the channel itself. The second link, channels between nations, moves the products to the borders of the foreign nations. The third link, channels within nations, moves the products from their foreign entry point to the final consumers. Channels of distribution within countries vary greatly from nation to nation. (Briones G. M., 1998, pp. 139)

Another difference lies in the size and character of retail units abroad. Whereas large-scale retail chains dominate the US scene, much retailing in other countries is done by many small, independent retailers. In India, millions of retailers operate tiny shops or sell in open markets. Their markups are high, but the actual price is lowered through haggling. Supermarkets could offer lower prices, but supermarkets are difficult to build and open because of many economic and cultural barriers. Incomes are low, and people prefer to shop daily for small amounts rather than weekly for large amounts. They also lack storage and refrigeration to keep food for several days. Packaging is not well developed because it would add too much to the cost. These factors have kept large-scale retailing from spreading rapidly in developing countries.

## ***INTERNATIONAL MARKETING INVOLVEMENT***

To make an international marketing have its general meaning, companies that have the necessary resources must develop an interest spread of business across national borders. As soon as the interest of developers exists, marketing specialists will induce the activity of international marketing at several levels. However, regardless of the level of involvement must choose whether their marketing strategy will adapt to the different regions of the world, or they will standardize the whole world.

The level of involvement in international marketing covers a wide spectrum. Incidental or occasional exports to the minimum level; active export focuses on sales activities whose purpose is to realize that the overseas market acceptance of existing products. Full involvement in international marketing means that the main control structure of the company stresses the importance of developing an international marketing strategy for achieving the objectives of the enterprise. The globalization of markets requires complete dedication of international marketing; it involves opinion according to which the world is one market.

Only full involvement in international marketing and market globalization signify the full integration of international marketing strategic marketing planning. Traditional full involvement in the international marketing of products is based on the adaptation according to cultural, regional and national differences. In this

international marketing to marketing strategy developed for specific target markets. From the viewpoint of practice, this means that the standard marketing mix strategy of one country should be classified by social, cultural, technological, political and economic similarities.

Contravened, globalization requires developing marketing strategies as well as to the whole world (or a region) consists of a single entity; globalized enterprise marketed standardized products everywhere in the same way.

Some companies are removed from the adjustment or standardization of products for a particular region of the world to offer a world of standardized products that are advanced, functional, reliable and low prices. But the question remains whether the promotion, price determination and distribution of these products can also be standardized. (Levitt T., 1983, pp. 92)

Discussion on the Feasibility of globalized marketing strategies continually takes the appearance of ideas in the sixties. Surprisingly in first plan come the questions on standardized advertising policies. It should be kept in mind that there are degrees and adjustments and globalizations. Neither strategy has been implemented in its pure form.

## ***PERSPECTIVES IN GLOBAL MARKETING***

Globalization is rapidly taking place, whereby companies seek to expand worldwide, and consumers are becoming closer to each other according to their characteristics. Cultural differences erode and traditional differences between countries are under pressure bringing down the desire to liberalize trade. These changes cause subtle differences in the way the business is run.

Most of the attention of those who are paid to advertise the markets' business-to-consumer, but actually markets of business-to-business is much larger especially in the global context. It is because of all consumer products first pass through markets "of business-to-business" and so often go for several times, so aggregate Business-to-Business turnover is much greater than the supply of markets consumers.

Usually considered that business buyers are more rational than buyers-consumers. If buyers businesses are more concerned with practical economic issues, less likely to be affected by cultural factors.

In some countries there is a tendency to be very nationalistic. They favor their own companies and products rather than imports from abroad.

The main point of global development "of business-to-business" market was the emergence of deal between global enterprises. If the supplier and buyer are global companies, the process becomes extremely complex due to the large number of people who will be involved in the process of decision making. In industrial buying more involved decision-making, a not just one. Webster and Wind (Webster and Wind, 1972) identified five groups of people involved in the process:



- Deciders-These are the people who make the actual final decision about buying.
- Buyers-These are people who have been given the task to find suppliers and to negotiate with them.
- Influencers-These are people who are not directly involved in making the decision to purchase, but they can be consulted by those decision-makers.
- Users-These are the people who actually use the product. They often have an advisory role and it is quite possible to have a say in the final decision.
- Gatekeepers-These people control the flow of information to decision-makers. Often these are personal assistants, telephone operators and secretaries who see their role as protecting the role of decision makers from addressing persistent selling by suppliers.

In a global context, these groups can be "scattered" across several countries, and hence subject to cultural influences in different regions of the world.

In this type of sale usually includes negotiation and considerable customization of product and price negotiations and delivery in each country, but with an overall coordination.

## ***ANTIGLOBALIZATION TRENDS***

Those who oppose the increasing globalization of businesses cite the power of global companies finally are not accountable to any democratic process, and suggest that global companies are able to pass through national governments and to impose his will on the rest of humanity . It is true that global companies often have greater economic power of national governments, for example, in terms of controlling the exchange rate in the international arena and can shift production from one country to another for maximum use of the existing tax breaks.

Another note of globalization is the erosion of national cultural values. Large companies are often accused of involuntary conduct of cultural changes in the population.

The last objection is that global corporations have no "allegiance" to individual countries, hence any guilt that cause environmental or economic damage in countries that are a source of supplies.

These allegations in many cases could be justified. He is surprising that global enterprises strive to fulfill the best deals that may come to its shareholders when locate factories and distribution networks, without much consideration for local needs. Equally, it can easily understand that a corporation is more interested in their own survival and well-being than the survival and wellbeing of the local population, so in that sense and leads negotiations. It is likely that, in any case, will come to erosion of cultural differences, due to increased travel around the world and more rapid communication of ideas. Also it is very likely that people will

reject any new idea if it fits their own needs. Ultimately, global corporations accountable to their customers, and these corporations often boycotted by customers who do not approve of the conduct of the corporation.

Anti-globalization movements are likely to remain specificity of the 21st century still in time, but it is likely to have a greater impact on the way global companies manage their businesses. The reason for this is the fact that customers are voicing their support for the bid by companies choose where to spend their money. Benefits of globalization of products likely to outweigh the disadvantages, and this in turn is likely to be followed by consumers, lawmakers and the rest. In this respect, welcome and will be efforts to maintain the cultural diversity of the world.

## ***MANAGEMENT OF GLOBAL REPUTATION***

Global corporations have a problem with maintaining a reputation that will have the same values in different cultures and through various national boundaries. The first problem is to establish a global voice. No longer is it possible to have a significantly different of messages to different audiences for global communications are so rapid and comprehensive.

Companies PR often specialize, based on industry or in terms of jobs. It is obvious that most of them specialize in their own countries. This means that the public relations of a global company is unusual entity. To manage global PR-campaign, the company should have relatively good relations with the media in many countries, governments and politicians, as well as local organizations that may have their own interest in the activities of the enterprise. It is unlikely that a company will have all these attributes, so global enterprise is forced to work through a number of local agencies for public relations, each of which should have extensive knowledge of "global voice" of the company.

Another problematic thing is the identification of PR-aspects in different countries; aspects and issues are usually identified by monitoring of print media and developing appropriate responses to threats and opportunities in the field of public relations.

## ***MARKET RESEARCH***

The growing number of international markets, it has proved difficult or impossible to conduct the surveys. Low levels of literacy, poor infrastructure, and lack of government statistical data together did research to be expensive, slow and unreliable.

The third driver of this growth is the need for global companies to seek new markets in countries that were once poor. Without clear market research such

expansion was hampered in the past. With modern capabilities for handling information and efficient network for collecting "field" data, enterprises are able to generate and employ information in the world in terms of the most effective markets for their products. Now companies can freely draw international profiles of your potential and existing clients to determine which markets are "ripe" for the appearance of a new product; to determine markets that transcend national boundaries and (perhaps most important thing) to determine which markets and probably the most profitable markets.

Global segmentation has always been hampered by the inability of businesses to generate comparable market research in the world, with the changes that are inherent in the nation's market research; segmentation in the future will be as simple as just now national segmentation.

## ***MARKETING PLAN***

Given the improvements in information (IT) and telecommunication technology, marketing plans in the future will be far more flexible. Already developed software allows real-time adjustments in order the marketing plans to take into consideration the fluctuations in demand.

Global communications allow this to happen regardless of location, with improved software, the computer will be able to integrate the data from the external environment to predict competitor reactions, reaction intermediates, changes in legal and political framework, and possible actions of the stock brokers, in order to create a model in real-time (real-time model) of the corporate world.

These systems are apparently as good as the people that programmed them. For this reason, the marketing in the 21st century still will need people who know how to think globally, act globally and in an efficient and effective way to meet customer needs.

## ***CONCLUSION***

Marketing activities extend far beyond the boundaries of economic activity. Educational campaigns are the main tool by which this should be achieved. Through education, people living on the geographical periphery of monetary consumer markets are encouraged to discover through modern global choices and decisions in life style.

There is an objective, obvious relation between the essence of the objects that are the subject of consumption (what a display of social relations, modernity, progress, etc..) And the way in which individuals with certain amount of disposable income will be inclined to spend the time and they money, or to spend.

Aesthetics maximally moralizes the very moment of the distinctions that should be done by consumers, hierarchically based on so-called scientific criteria.

Many global companies have had difficulty crossing the language barrier, with results ranging from mild embarrassment to outright failure. Seemingly innocuous brand names and advertising phrases can take on unintended or hidden meanings when translated into other languages. Careless translations can make a marketer look downright foolish to foreign consumers.

A company must understand the global marketing environment, especially the international trade system. It must assess each foreign market's economic, political—legal, and cultural characteristics. The company must then decide whether it wants to go abroad and consider the potential risks and benefits. It must decide on the volume of international sales it wants, how many countries it wants to market in, and which specific markets it wants to enter. This decision calls for weighing the probable rate of return on investment against the level of risk.

Companies must also decide how much their products, promotion, price, and channels should be adapted for each foreign market. At one extreme, global companies use a standardized marketing mix worldwide. Others use an adapted marketing mix, in which they adjust the marketing mix to each target market, bearing more costs but hoping for a larger market share and return.

The company must develop an effective organization for international marketing. Most firms start with an export department and graduate to an international division. A few become global organizations, with worldwide marketing planned and managed by the top officers of the company. Global organizations view the entire world as a single, borderless market.

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