

*company's philosophy, company's mission, production concept,
product concept, sale concept, marketing concept,
concept of social marketing*

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COMPANY'S PHILOSOPHY ON A FOREIGN MARKET

Philosophy of the company, that realizes its business activities on international environment, exceeds national range. The essence of the philosophy is the orientation to wider dimensions as dimensions of the domestic market, orientation to foreign markets and positioning of the products and services on these markets, followed by major need of knowledge about the relevant market, than the domestic market requires, higher business risk, different forms of business, different organizational structures.

FILOZOFIA PODNIKU NA ZAHRANIČNOM TRHU

Filozofia podniku realizujúceho svoje podnikateľské aktivity v medzinárodnom prostredí presahuje národné hranice. Podstatou filozofie je orientácia na širšie dimenzie ako sú dimenzie domáceho trhu, orientácia na zahraničné trhy, na umiestňovanie výrobkov a služieb na týchto trhoch sprevádzaná vyššou potrebou poznania relevantného trhu ako si vyžaduje domáci trh, vyšším rizikom podnikania, odlišnými formami podnikania, odlišnými organizačnými štruktúrami.

1. DECISION OF THE COMPANY ABOUT ENTERING OF THE FOREIGN MARKET

Decision of the company about entering of the foreign market is followed by many risks. Especially risks, that relate to political and legal conditions in foreign country, political orientation, legislative, that exact from manager to be inform about it, need of knowledge of foreign language, misunderstanding of foreign customer and his requirements, misunderstanding of corporate culture and ethics in foreign country.

Taking into account the fact, that international market starts to be saturated, companies have to learn how to face these risks. Except this fact, and also the factor, which will influence company's decision about undertake of foreign market, there are many other factors:

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- company does not want to be dependent only on the domestic market,
- company considers expansion of its production, to increase economies of scale,
- some foreign markets offers greater accumulation of profit opportunity,
- company wants to acquire business techniques from foreign competitors,
- company wants to acquire new skills and increase its competitiveness,
- company wants to spread the life cycle of its supply into several countries,
- company wants to reach the segment of the customers, about which it knows, that this segment is interested in its offer,
- correspondents of the company want to expand into foreign countries and require from the company to provide their services abroad.

Company in international environment has to formulate its philosophy in such way, to be able to reach the clear conception and position to key areas, that are shown on Figure 1.

Strategic business objectives are junction between marketing philosophy and marketing strategy of the company on international market.

2. COMPANY'S SENIOR OBJECTIVE

Talking about the philosophy of a company on the foreign market, the senior objective is clear. In any case, company decided to climb the national business and take a position on foreign market in a form that is favorable for it.

Senior objective can be defined as: entry of new markets beyond the national border, acquirement of leadership at the international level, access to multinational company and so on.

3. COMPANY'S MISSION

It is matter of determination of company's own identity, which is clear when starting business, but later it is necessary to adjust to company's internal and external conditions. In many cases, when defining the mission, company sizes up its position on the target market, this means, whether the company wants to operate as:

- *caption* – company offers the top quality, thin product range, slack availability, small market share, profit margin will be ensured by solvency of customers,
- *standard* – continuously wide product range of standard quality, profit margin will be ensured by broad clientele,
- *originality* – offer of original and unique ideas, small market share, profit margin will be ensured by loyalty of solvent customers.

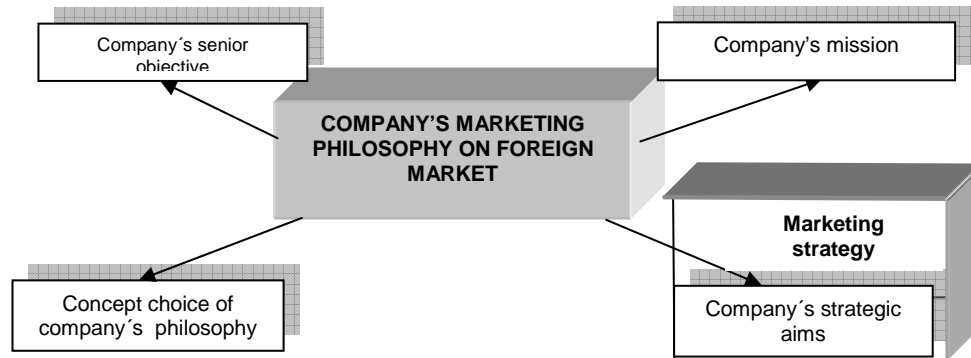


Fig. 1 Key areas of company's marketing philosophy on a foreign market

4. CONCEPT CHOICE OF COMPANY'S PHILOSOPHY

Business philosophy of a company in an international environment is mainly basic idea of company's management, in which direction and in which form should its business activities flow on international markets and what purpose it has to fulfill. In terms of this, company has to set up in first place, what severity it should address to interests of business, interests of customers and public interests.

Clarification of the severity of those interests results in the company's decision to use some of the concepts of company's philosophy. **Marketing theory identifies five known fundamental concepts of company's philosophy that have their justification not only in national, but also on international environment.** Concepts:

- *production,*
- *product,*
- *sale,*
- *marketing,*
- *social marketing.*

In last twenty years, there are some convictions that it is necessary to determine a new conception that rises and adapts to new conditions of the society. Conception that points on a need of more complex approach, than traditional marketing conception includes. It was named by marketing theoreticians as holistic marketing concept.

5. APPLICATION AND IMPORTANCE OF CONCEPTS OF COMPANY'S PHILOSOPHY ON FOREIGN MARKET

Just like national market, as well as on foreign market, each mentioned conception has its substantiation.

Production concept is used when expanding the company's market share on foreign market in developing countries, where the customers are not so demanding and do not insist on quality, but on product availability and where the labor force is relatively cheap, to secure the lowest possible costs, that leads to the accumulation of profits from the production.

Product concept is clearly focused on the company's interests, where the management determines the quality of company products. It is also suitable for expanding of company's market share by intrusion on foreign markets, mostly in developing countries, where it is considered with a certain group of solvent customers (upstarts in these countries), who require quality products, different from ordinary products offered to conventional customers, but they do not yet know, what should this quality be like.

Sale concept is applicable in companies, which come to the foreign market with a new, matchless, on the national market yet unknown product, so customers cannot score this product, if his quality matches proclaimed quality in various media. Company builds its concept on the fact, that all its effort is aimed on strong promotional campaign, in which it uses opinions of famous people from the sphere of sport, culture, science and other social areas in that country.

Marketing concept is one of the concepts, which has, due to its main idea - glorify customer's interests above the interests of society – its applicability on all foreign markets, regardless of whether these markets are developing or developed countries. Its importance grows with its orientation on foreign markets, because especially on foreign market, entrepreneur cannot rely on his intuitive understanding of the interests of the country's population, as in his national environment. Company has to make an effort to meet the behavior of inhabitants of the country and accept in as much as possible.

Holistic marketing concept is an extension of traditional marketing concept, that is very important on foreign market, because if the company wants to establish on a foreign environment and continuously increase its value, not just cumulate profit for a short time, it has to receive affection of representatives from all areas of economic and social life, not only affection of potential customers in that country.

Internal marketing is in company with international business activities particularly important. Such an enterprise is characterized by the dispersion of particular units, also beyond national environment, and it is essential, that employees of particular units have to know marketing aims of the company and perform their tasks in the intentions of these aims. Company has to know, how to act on their employees, because these employees can be native to company's country of origin and also can be native to company's country of activity and sometimes it is difficult to find the right form of communication and affection the employees from the citizens of foreign countries, as well because of their mentality.

Importance of *integrated* marketing grows with an orientation on foreign markets. In foreign environment, interactive marketing becomes an art, the formation of which it is necessary to know the traditions, culture, mentality of people, because these factors affect the shopping behavior of customers.

Socially responsible marketing can help to company to come into the limelight abroad, to highlight its reputation and brand, to increase customer's loyalty, sales and media's attention. Within this component of holistic marketing, many companies often accept the cooperation with state or various associations and movements in the country, in order to solve a problem of certain target groups in society of the certain country. Company Avon, the largest global company that battles with cancer, can be mentioned as an example of the most successful company with this marketing. Program of this company is focused on healthcare, on discovery of cure for breast cancer by financing the education, prevention and scientific research. Since its first program, nearly ten years ago, this company has

provided to fight against the cancer more than 250 mil. U.S. dollars, received from various charity concerts, parade, sports events and so on.

6. COMPANY'S STRATEGIC AIMS

As we motioned earlier, company's philosophy is primarily a basic idea of company's management, how should its corporate culture looks like (it means, what severity company should devote to his interests, to the interests of its customers and interests of whole society), what direction should its business activities gain. This idea, which includes the top company's objective, has to be transformed into measurable strategic goals, by qualitative of quantitative indicators, in order to offer a clear conception for a company, which direction should it take and continuously detect, by fulfilling of objectives, whether the company do not deviate from the selected concept.

As international marketing is the philosophy, strategy and business management with several degrees of acceptance of foreign market requirements, by their meeting company wants to increase its market value, it is evident that company with international marketing has already made a decision about enterprising on foreign market. Its mission, idea is clear. Company will set targets appropriate to this mission.

7. CONCLUSION

By which philosophy should be marketing efforts of the company on international business environment directed? How to accept the seriousness of the company's interests, interests of customers and whole society? Mentioned interests often get into conflict. Very often, it is not clear, how the company employees should behave, particularly those, who come into contact with customers, and it is not clear, how should behave the management of the company, or management of company's subsidiaries on foreign markets. Therefore it is necessary, that all employees and also company management has to be informed about the concept of company's philosophy and this concept has to be available in written form, such as status of the company, the code of the employee and so on.

8. REFERENCES

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