

# THE INTERNATIONALIZATION OF BUSINESS AS AN OPTION IN THE MARKETING STRATEGY OF THE ENTREPRENEUR

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## *Abstract:*

*Both the process of creating a business, but especially during the course thereof, the entrepreneur should consider a future in terms of domestic and international presence. This would require a marketing strategy for attracting and maintaining loyal customers domestic and international, for whose implementation it should be mentioned for specific tactics, identify ways to internationalize the business and choose the most appropriate forms of advertising.*

*Keywords: strategy, entrepreneur, marketing, tactics, internationalisation, business*

## **The need of a marketing strategy for entrepreneurs**

In general, the marketing activity, as part of the enterprise business functions, is aimed at *"continuous analysis of the application, on the one hand, and, secondly, establishing and putting into action the means of satisfying it, in conditions optimal profit (Burduş, 2005)*. Practice in our country has demonstrated that entrepreneurs show numerous weaknesses in the context of marketing, including: *ignoring the need for strategies in the field, reduced emphasis placed on creating new needs and considering the existence of market demand for their products, no research in this regard.*

Developing a marketing program aimed at outlining a strategy for success from the standpoint of potential customers, because they are the focus of any business. As Peter Drucker said *"to a company is to create customer"* (Lafley, 2009). Therefore, a priority is *"to create and maintain a client"*, not so much to profit from business that a design entrepreneur. Therefore, an effective marketing

program must pursue four objectives: *identifying the target group of customers, determine their real needs, identify the competitive advantage of business and marketing mix.*

A particular importance to business success is to identify a competitive advantage that is achieved when customers perceive the products and / or services to be higher than those of competitors.

Such a competitive advantage can be achieved in various ways, including one commonly used by entrepreneurs is *reducing the price*. But, I believe that such a method can be generalized, as it can sometimes be dangerous, if one takes into account that a large store that sells in large quantities can much more easily than a small entrepreneur to numerous discounts. Under these conditions small businesses must find other ways, including a personalization services, individualized special attention, which is devoted consumer.

The entrepreneur should not resort to ways of achieving competitive advantage specific large companies competing are not fit, but to exploit the small size of the business to develop

close contacts with customers, which give them personalized attention to focus on services offered, flexibility of management practiced. All they can form what is called "customer relationship management" (Burduş, 2007), which involves developing, maintaining and managing relationships with beneficiaries, so that they lie every time with new orders. This conception is based on the fact that the beneficiaries of the products and / or services offered by the entrepreneur is a business value themselves so that their preservation can be a competitive advantage.

Customer Relationship Management requires entrepreneur attending the following steps (Burduş, 2007):

- collecting essential information about potential clients and setting up a database with them;
- use the database to identify the most profitable customers, their needs and their habits;
- use information from the database with customers to develop lasting relationships with the best clients, which are best served;
- attracting more customers who fit the profile the best customers of the company.

Customer Relationship Management, unlike a normal commercial transaction is characterized by: continuous activity and not a single transaction start and end, collaboration and cooperation between the company and its customers, long-term confidence, not just short-term gains, assumed dependence not only interdependent, thorough knowledge of the needs, wishes and preferences of customers, not only gains from transactions, knowledge base to base relations with prospects for expansion, unlike the commercial transaction loses ground against such forms of establishing customer relationship.

To be functional as customer, the entrepreneur must achieve the highest level of customer involvement in the following order:

1. *know your customer*, which implies that managers and employees know very little about their customers and are widely regarded in the light occasional trade;

2. *sensitivity to customer needs*, when employees know something about the client but this knowledge is not shared with other employees;

3. *commitment to the customer*, which means that managers and employees understand the customer's primary role in business, to spend time discussing with customers using different appropriate techniques;

4. *client considered as a partner*, which means that it will take into account most of the decisions it takes the entrepreneur that will focus on developing relationships with companies that are considered the best clients.

On the basis of a special relationship with customers , the entrepreneur can take the best marketing strategy that would promote business by obtaining a competitive advantage.

### **Strategies for attracting and maintaining loyal customers**

Developing and maintaining relationships with their customers over a long period of the plan involves putting the customer first. Attracting new customers is more expensive than maintaining existing ones by their loyalty. As a result, the entrepreneur must be concerned about rather as loyalty to existing customers than how to increase the percentage of market share by attracting new customers.

Companies with world-class customers are those who pay attention to the smallest details in dealing with them, remembering their unique preferences. Therefore, I believe that

the entrepreneur should always verify that carry well over customer requirements, if it can do better, if and where wrong, or you can do better in future.

Among the strategies *“as an option to undertake, competitive and functional, which management believes that the organization can achieve the core objectives in the medium and long period (Burduş, 2007)”* that the entrepreneur can take to attract, but mostly for customer loyalty may be mentioned the following: identifying the best customers and focus on those holding the largest share of sales, urgently resolve customer dissatisfaction, because it was found that they returned to the supplier dissatisfaction promptly corrected, ensure that sales are carried out without difficulty for the customer and eliminate any unnecessary procedure that causes forward, encouraging customers to make their discontent known, contacting customers who have abandoned the company's products to see which are the causes of waiver, prepare thorough and permanent staff working directly with customers to leave no room in their inappropriate behavior, reward staff who show special services for customers, the habit of calling customers by name, which will contribute to their loyalty.

To retain customers, and thus for successful business entrepreneur must provide sufficient quality for goods or services subject to business. It is unnecessary to conduct an effective promotion, which often proves expensive products or services that do not correspond in terms of quality. Ensures the quality processes in long-term relationship with customers in training staff in quality, the ability of staff to accept and promote change, and ways of motivating employees.

### **Tactics used in implementing marketing strategies**

Even if the entrepreneur prepare a proper marketing strategy and an effective marketing program, results will not be those expected if no specific tactical use different small companies in their fight with the big competitors.

We believe that in the marketing strategy, the entrepreneur should build on its niche, which generally is too small to be attractive for a large companies, but large enough for a small business success, which must respect the principles of target group segmentation and differentiation to large companies. Among these specific tactics small business owners may be listed as follows: concern for the creation of new niches, in a follow-up opportunities, offer for presentation in the local organizations of their products or services, sponsorship of extraordinary events (eg organizing a trip for local school children), creation of samples to be offered to customers, setting records customers' expectations for products and / or services, full refund of the amount in goods to customers were dissatisfied with the products or services purchased, creating special programs for loyal customers frequent purchases (coffee cards special, etc.), setting up a community award for corporate customers (eg the award for most beautiful garden), company involved in a contest for members of the community, paying a journalist to publish an article in the local press material for the company, finding unique ways to please customers, particularly those loyal to the company, the development of "flyers" to be presented in customers using the products offered in their business, cooperation with other companies that sell complementary products, to identify a niche own business, creating a pleasant atmosphere for customers who buy in stores, by signs, sounds, smells, attractive, that will make the buying

process a pleasure, creating a unique image for your own business, own business creating an identity by defining its own vision based on the entrepreneur's own beliefs and values, creating an emotional attachment with customers, by growing confidence.

All these tactics and others not listed are meant to contribute to the implementation of strategies that can be identified, adapted and used by the entrepreneur in the promotion and sale of their products and / or services.

### **The internationalization of business as an option in marketing strategy**

Today, the option for conducting business abroad is not reserved to large companies, but became accessible to small enterprises, particularly through access to information to those small and medium enterprises. World market of goods and services continues to expand as a result of globalization, the increasing interdependence of national economies.

As large companies, small and medium businesses looking to expand over the borders of the home, simply because there is market for their products and services beyond those borders.

Option for internationalization business entrepreneur bring a number of advantages, but it is necessary that the enterprise be an ongoing concern for innovation, to maintain a high level of quality, to adapt to the demands of customers from different cultures. Among the advantages of internationalization of business can be listed:

- given that domestic sales is shedding the option to enter foreign markets may be a *recovery of losses from these cuts* and hence maintain or even increase the turnover of the company;

- higher volume sales, large scale foreign market are *increasing the turnover* and therefore profit recorded by the entrepreneur;

- for products that are in a period of maturity, the option for the international market, where such products may be in another period of life cycle, can *increase the life of the product*;

- especially for products which have a high proportion of fixed costs, appealing to the foreign market will lead to *reducing the cost of those products*, because of higher production volume produced and sold by default;

- of confronting the company, through its products, with products on the world market, it can develop its capacity to meet competition, to produce increasingly better in terms of quality and thus be *more competitive* and a growing reputation among customers better, including the internal market;

- entering the world market, the entrepreneur learns to cope with demands of clients from different cultures, developing and *adaptability to customer requirements*, whether they its domestic market are foreign.

The internationalization of business requires the entrepreneur the ability to *think globally*, to be able to appreciate, understand and respect different beliefs, values, behaviors and management practices of companies and individuals from different cultures and countries. In fact, "*optimal solution in the sense of the best way to drive, is a cultural preference as how to act depends on the individuals and organizations that give it meaning cultural environment*"( Burduş, 2006). To do this, we believe that he must be prepared, which means to answer some questions:

- will be a leading company that is profitable for a longer period in an international market?

- its disposal the resources and capacity needed for such a market?
- this internal market reached a saturation requiring expansion in foreign markets?
- the entrepreneur has the necessary knowledge, the value system of the country that wishes to expand business?
- the company can afford not to expand in foreign markets?

Although the internationalization of business has numerous advantages, this process is not proceeding without some obstacles that the entrepreneur should avoid. These barriers to the free development of international business comes mainly from the desire of governments of various countries to protect their own national affairs. The main types of problems they may face an entrepreneur can come from sources: *national, international, political, business and culture* (Zimmer, Scarborough, 2005).

Adopt a business internationalization options can often be hindered by the *attitude* of the entrepreneur, that business is too small to think of foreign markets, which should be reserved for large companies. Then, another obstacle to internationalization is the *lack of information* about how they were able to achieve this internationalization. Finding a target customer, a strategy that occupy a given market requires possession of information not always reach the entrepreneur.

But, perhaps the most difficult situation that can be entrepreneurs who wish to internationalize their business is *lack of financial resources necessary* for this approach and even unwillingness of investors to finance a small business that wants to internationalize the work . International sources of obstacles to internationalization by business entrepreneurs are:

- *tariff barriers* imposed by governments of some countries for certain products or services;
- *non-tarifare barriers* specific to other countries wishing to protect their own products or services;
- *the embargo* that some countries prohibit the importation of products not necessarily economic reasons;
- *dumping* which is the sale of products in large quantities in a market below their cost of production.

Although in each country there are certain regulations imposed by government, where the entrepreneur enters the market of a foreign country, face additional risks. Among those dangers which we must deal with are those concerning government attitude towards private property of that country, the changes of government, the security company's employees in that political context.

Business is different from country to country, so the process of internationalization, entrepreneurs face a number of difficulties adapting to new conditions of doing business. Perhaps the most sensitive area is the human resources, because people react differently in employer-employee relationship, or manager-subordinate. In addition, management-union relationship is different from country to country could hamper the development of business in a country other than their own company.

Cultural diversity manifested by beliefs, values, norms that they share different nations make it more difficult to develop a business in an international context than within a country. Cultural differences make their mark on the business philosophy on management practices, requiring new knowledge and skills entrepreneur that wishes to internationalize your business.

Understanding and consideration of these cultural differences, often very subtle to be understood, is the key to

success in international affairs. Entrepreneurs who fail to take into account these cultural differences will be a big disadvantage against those who fail to adapt their behavior to the specific local market it intends to do business.

### **Ways to penetrate world market**

Penetration of the global market requires the entrepreneur to a change in how the perception of customer needs in new markets, maintaining a referral capacity competitiveness, maintaining a high level of quality and care for its steady rise, adopting an attitude of respect for habits customers in other countries, using a personal knowledge of several languages and to maintain constant desire to continuously learn from what happens on the world market.

Among the main ways of penetrating the global market can be listed as follows: *creating a Web site, using specialized companies, joint venture, licensing, franchising, barter and export.*

The easier way to enter the world market is the *creation of a Web site*, as the international network, its access is made immediately and ensure a permanent presence on the market. To use this method it is necessary first to ensure an Internet connection for the entrepreneur to be able to use e-mail, then use it for global market intelligence and finally creating a Web site to be provided products and / or services entrepreneur.

Global market penetration can be achieved with a relatively low risk and cost even less *appealing to companies specialized* in distribution of products in foreign markets national companies. These intermediaries have sufficient information about markets in other countries that have developed some links, be granted only to assist small businesses to market their products or

buy products from small businesses and then sell them in foreign markets.

In addition to the arrangements mentioned above, entrepreneurs can appeal to foreign distributors, who know well the world market, in addition can provide professional assistance to potential customers in those countries.

*Alliances of two or more smaller companies* (joint ventures), formed with the purpose of export of goods or services, whether consisting only of national companies or national companies that are formed with other companies from other countries may be a way of penetrate the world market, the cost and risk are shared.

We believe that, the difficulty is to find their lodging right partner and establish common goals. The failure of such alliances may have come because entrepreneurs fail to correctly determine the contribution of each party, not deep understanding goals and select partners and not suitable in terms of partners who have complementary qualities.

A rapid penetration, easy and relatively low capital on the world market can be achieved by entrepreneurs with *business licensing* in other countries where they can be used technologies, processes and products company. Entrepreneur wins by way of sale of such license, which is relatively simple, even for the less experienced entrepreneurs. Risk entrepreneur in this case just about any obstruction, control of product, especially if foreign partner acquires more experience in manufacture and sale of the product.

World market began to use increasingly more *franchise*, which involves selling the right to produce and sell products or services on which the owner retains all rights to the conditions in which they produced and marketed. This explains the supply of goods or services (from fast food to child care) in different countries by entrepreneurs who have bought this right from the owner.

*Barter* involves the exchange of goods or services for other goods and services and is another way to penetrate the world market entrepreneur. To use this way must be found additional needs to potential foreign partners.

Overall *exports* were considered accessible only to large companies, which had large quantities that could be sold in foreign markets and sufficient resources to achieve their transfer abroad. Today, access to export is possible for small businesses, provided they are trained to use such means. Use of such means of penetrating the global market requires the entrepreneur to go through the following steps:

- to realize that most small and inexperienced companies may have export potential;
- to analyze the products in terms of quality, uniqueness, favorable price, the demand in different markets in different countries;
- to consider the availability of money and other resources required for such methods of sale;
  - which is to identify target customers are often;
  - creating a strategy for distribution of products for export;
  - finding the funding of export activity an indication of how the transport of products will be exported;

- design procedures for collection of payments made by customers.

The creation of an agency or from any plant in the country where it is desirable to be exported will be complementary activity to enter new international markets.

## Conclusions

While many entrepreneurs will find it difficult to adapt their business practices to the requirements of field theory, success in a market where competition is becoming greater, will depend increasingly adopting appropriate strategies and tactics. The choice of such a marketing strategy depends on specific objects, the particular characteristics of the entrepreneur and the external environment in which they operate that business.

Another choice that the entrepreneur can refer to the possibility of extending their business abroad, especially when the domestic market becomes increasingly saturated, or whatever reason collapses, leading to intense competition and possibly to reduce competitiveness. Option for internationalization of business is appropriate only large companies, often as may be charged, but also small businesses regardless of their field. Use this opportunity has favorable implications for entrepreneurial activity worldwide, including in Romania.

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