

The role of marketing strategies in stimulating export activity

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Abstract

The main purpose of the study is to investigate the functionality of marketing strategies that play an important role in the development of export activity and its access to international markets. One of the possible options in the unstable economic conjuncture of the globalized world is the acquisition of new markets by using the multifaceted opportunities of marketing as one of the most optimal means that can increase competitiveness. In this research work, the role of marketing strategies which are considered the important tools in increasing the export potential was investigated, and the most important nuances in this direction were discussed. The limitations of the study are the difficulties that may arise in gathering the necessary information about target markets and relevant consumer groups in relation to the implementation of successful marketing strategies. This article also analyzed the influence of management, organizational and environmental factors of successful marketing strategies used to improve the position of enterprises in foreign markets. As a result of the research, it was determined that marketing strategies that play a role in increasing the export potential of enterprises have a positive effect on the economic development of countries. The practical significance of the research is that business entities aiming to enter foreign markets from local markets will be able to

The purpose of the study - The main purpose of the study is to investigate the role of marketing strategies, which are important tools in the development of export activity in modern times.

The methodology of the research was investigated based on the methods of observation, comparison and economic analysis.

Application importance of the study - The provisions explained in the study regarding marketing strategies can be taken into account in the process of business entities joining international trade and establishing export-oriented business relations.

The results of the study - the role of marketing strategies in the development of export activity and its impact possibilities were investigated.

The scientific innovation of the research – regardless of the field of activity, the main features of marketing strategies in establishing export-oriented business relations have been studied in a wide aspect obtain certain information that may be important for the development of export activities.

Keywords: export, marketing strategy, international markets, target markets, consumers, sales, communication

I. INTRODUCTION

Marketing, which is considered one of the most important elements of the liberal economy in modern times, serves to create the most optimal opportunities for enterprises to enter both domestic and foreign markets. Marketing, as an important economic tool, has a stimulating functionality to organize relations not only with the market, but also between producers and consumers in a more organized form. It is extremely important to emphasize the essence of marketing activities both domestically and internationally in a situation where we are looking for ways to overcome the crises that occur from time to time and for economic growth in the international economic conjuncture observed with unstable trends. Marketing was initially created at the local level in the economy and developed by being used in international economic relations in connection with the development of foreign trade of market economy

countries. Although the possibility of using separate elements of marketing in the administrative-emirate system is not excluded, its acceptance as a complex system is categorically denied. It was believed that marketing is a negative category, characteristic of a situation in which there is a predominance of supply over demand, serious difficulties related to the realization of products and fierce competition in the capitalist economic system. Socialist political economists trying to prove that under socialism demand always exceeds supply and that there are no serious problems related to the realization of finished products, tried to confirm the idea that there is no need for marketing, but this was never possible... In the economic system of the globalized world, the situation is different.

In modern times, marketing does not only act as an intermediary for business entities to succeed in local markets, it also creates ample opportunities for success in foreign markets. It is impossible to imagine the development of exports in a competitive environment without using marketing and its necessary strategies. Marketing strategies, which play an important role in stimulating exports in modern times, are also characterized as a reaction aimed at overcoming the influence of internal and external factors in order to achieve the goals of economic subjects. One of the main issues that should be paid attention to in marketing strategies aimed at international markets is the criteria on which strategies are developed. Thus, marketing strategies applied in international markets can be developed according to the standard or conditions of those markets. However, experience shows that taking into account the specifics of each market is the basis of a successful marketing strategy. Nowadays, the development of the optimal compatibility of strategic and tactical approaches of marketing in entering international markets is of particular importance. The country's access to foreign markets strategy refers to the relevant rules of conduct in the international sphere. That is, the rules of action taken as the basis for the performance, in other words, the evaluation of the supply and demand conjuncture, the study of the quality structure of products and services, as well as other factors should be comprehensively studied in a long-term time interval. In modern times, the following factors encourage every business entity with development potential to enter international markets:

- get more income;
- to have a share in new markets;
- to expand the possibilities and spheres of activity;
- finding new customers for specific products and services;
- share risks by entering different markets;
- to use existing and potential resources more efficiently;
- operating in wider and more competitive markets.

Currently, the increase in exports does not occur only due to the production of products that meet international standards, are competitive, and have high consumer demand. In this aspect, the role of marketing strategies that facilitate access to foreign markets should also be considered. According to the changing conditions of the market, export marketing includes the adjustment of marketing strategies outside the borders of the country where the product is produced. The applied marketing strategy should be effective for the enterprise despite the interaction of internal and external forces in order to achieve the goal set by the export enterprise. How to plan a marketing strategy? In this regard, we believe that the following synchronicities should be prioritized:

- Where are we - current situation, available products
- What are we targeting - target markets, their forms
- How to get there – tactics and strategy for using marketing tools
- What will we sell there - the range of services and products
- When should we be there - the optimal time to enter the markets.

II. STATEMENT OF THE PROBLEM

In the last 30 years, the process of globalization, which has become intensive in the world economy, has intensified competition in both the domestic and foreign markets. This process has accelerated the replacement of old technologies used in the sphere of production and sales with new techniques and technological processes resulting from the latest achievements of scientific and technical progress. The current conditions force every company to study the environment surrounding it, at least in

order to maintain its current position in the market. This is the introductory stage of organization of efficient activity of the firm. Without studying the internal and external environment, without taking into account the positive and negative effects of the factors operating there, it is impossible for the firm to carry out effective planning of its activities. Therefore, the success of each firm in the market and the ability to obtain as much profit as it envisages depends on the marketing strategy applied by competing firms, as well as the trends and events occurring in the marketing environment.

Why is marketing necessary to be successful in the foreign market? First, because in the root of the sale of a company that follows marketing strategy and tactics lies the following principle: first of all, it is necessary to know that the potential buyer wants to buy the commodity of certain price, certain quantity, certain place and time. Only then we can think about to organize production. In other words, we are talking about the fact that only goods that are in demand in the market should be produced and sold. You cannot produce a product that is not in demand and force the buyer to buy it by using various marketing tricks. It should be kept in mind that the buyer does not need the commodity itself, but the consumer needs its useful properties that can satisfy any need. In other words, when entering the foreign market, the company offers not products and services, but tools that will solve the buyer's problems. In this aspect, one of the important factors for the success of marketing strategies is market research. This process plays an important role in achieving the optimal result.

To improve the effectiveness of market research, the following questions should be answered:

- Who are the customers? Where are they located?
- What are the main players in the market? How are market players behaving?
- How is the market segmented? What is the level of demand in the market? What products are in demand, in what quantity and quality?
- What is the scale of the market? What quantity of products can be brought to the market?
- How much are the prices in the market and how do they change?
- Where are the market trends headed?

Forms of access to foreign markets can be classified as follows:

- Direct
- Indirect
- Partnership or alliance based

Direct Entry- Taking and delivering orders by distributing catalogs. In this way, catalogs are delivered to the customer by mail and other means. Contact and sell to potential customers via e-mail. This way, relations with the client are established by electronic means and information is delivered to his address.

Online sales. Such sales are carried out in electronic markets. Organization of sales of goods and services is carried out by opening a representative office. At this time, by opening branches and representative offices in potential markets, there appear opportunities to attract customers and distribute the exported goods through the representative office.

Sales by participating in trade and export exhibitions. At this time, there are opportunities to demonstrate the goods and services you will offer in the export market and to negotiate and even sign contracts to find buyers for them.

Indirect - Sales representatives or agents - find a customer for the product and earn a commission by connecting it to the owner.

Distributors - by signing a distributorship contract, they buy the goods at a cheaper price than their owner and sell them freely. **Wholesale companies -** buy goods directly from the manufacturer, import them and sell them directly. **Export management companies -** while remaining in the exporter's country of origin, carry out all the work related to the export of the product and its delivery to the importer.

- **Export trade companies -** act mostly as agents, that is, they act as mediators between the seller and the buyer.

Partnership or alliance based

- **Production and sale based on license -** in this form, the product manufacturer produces and sells products according to its production technology using the trademark of the enterprise in the target market.

Production and sale on the basis of franchising - This is also a type of license, which means that a product is produced and sold under the same name in another country.

A joint venture is created with the participation of both parties in the format of joint capital and management. In this option, unlike others, the costs are relatively low and the exporter can control the intellectual property rights as a partner in the joint venture.

An enterprise opened on the basis of full capital is an enterprise opened on the territory of another country with 100% capital.

The intensification of competition in international markets prompts enterprises to apply the most optimal marketing strategies in order to increase their competitiveness, increase their market shares and develop their business activities in general. In particular, export-oriented companies should consider the following issues in terms of marketing implementation:

- Elements of the marketing mix (product, price, positioning, promotion),
- Adaptation of marketing mix elements to international markets
- Changes in export target markets (market selection and segmentation)

One of the main criteria that increases the effectiveness of marketing strategies is the definition of the most correct target market. The selection of the target market is carried out on the basis of the following principles:

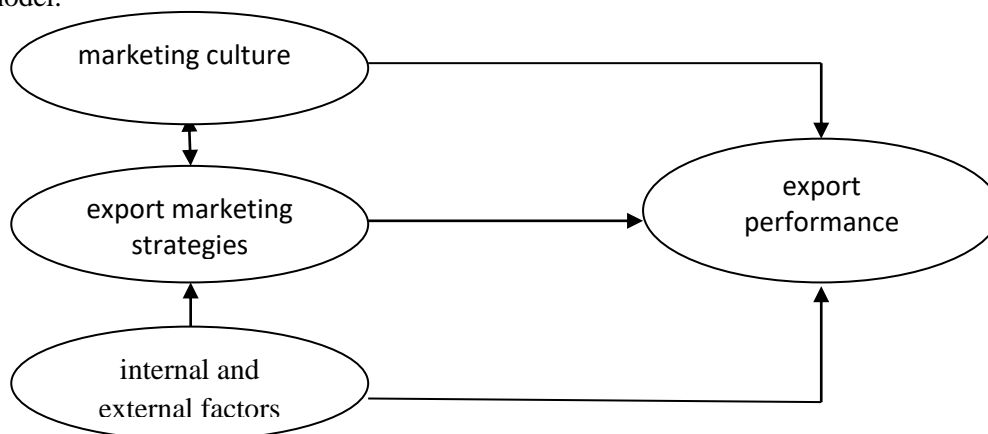
- Which segments or sub-segments are currently underserved by companies?
- Which products are undersupplied in segments or sub-segments?
- In which segments or sub-segments are some products missing?
- What is the economic potential of segment or sub-segment customers (total and regional number of customers, demographic structure, income level, growth potential)?
- What is the position of competitors in the market regarding sales and marketing activities (products, prices, distribution, promotion, sales networks)?

Currently, there are a number of factors that accelerate the access of business entities from local markets to global markets, which are changing very intensively at the macro level. We can classify those factors as follows:

- Changing conditions
- Regional opportunities and perspectives
- International financial environment
- International public environment
- International technological environment
- International political environment

They characterize the features of marketing strategies in the activity of business entities in terms of increasing export potential and access to foreign markets according to the following

model.



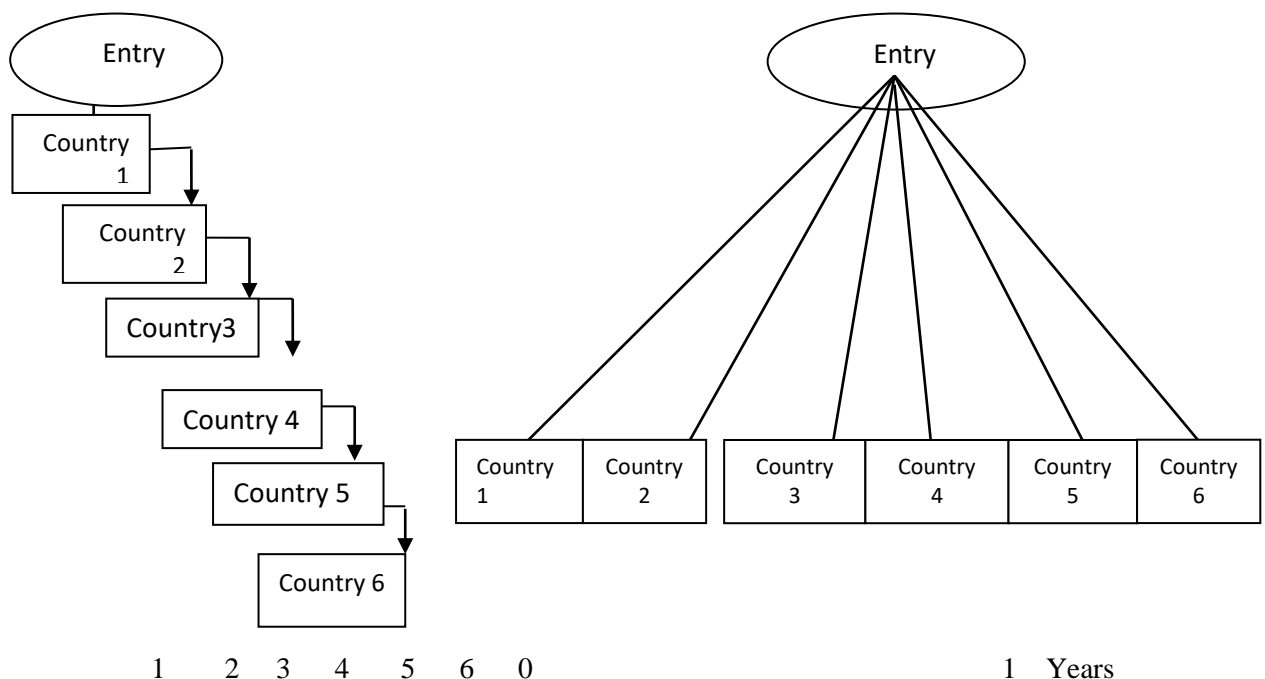
The main hypotheses determined are as follows;

- H1: There is a relationship between marketing culture and export marketing strategies.
- H2: There is a relationship between marketing culture and export performance.
- H3: There is a relationship between export marketing strategies and export performance.
- H4: There is a relationship between internal and external factors and export marketing strategies.
- H5: There is a relationship between internal and external factors and export performance.

It is also necessary to specifically emphasize the strategies of the waterfall and sprinkler market in terms of being included in foreign markets.

Waterfall strategy

Sprinkler strategy



Year

Waterfall Model

In the waterfall model, a company on its way to internationalization spreads its growth over time and enters the markets it has previously conducted market research one by one. In market research, sociological, psychological, demographic, geographic, economic and even political data should be carefully examined. In this model, growth is spread over time and often tries to keep up with capital. This feverish research and preparation for the first entry market and every subsequent market creates several advantages worth their weight in gold in the future.

A model widely accepted and known as the aggressive growth model is called the sprinkler model. After dominating the entry market, comprehensive marketing research is invested and strategic decisions are made by identifying priority countries. Trying to determine where the company and product(s) may be sold. During these decisions, a priority list is prepared taking into account sociological, psychological, demographic, geographical, economic and political information. In this model, after the priority list is prepared, all markets are entered simultaneously within a short period of time. It is a model used by more venture capital companies to solve the cash problem. Although it is considered a correct strategy to leave competitors behind in this model, depending on the product and service, its risks are at a level that cannot be ignored.

One of the important factors in increasing the export potential is determining which products to sell to international markets. In this aspect, attention should be paid to the following issues:

-Determining the products to be offered

- Product and merchandise or service (management practice) and rights (brand / trademark / patent)

Warranties for products

- Should the company provide the same product warranties in all countries or adapt them for each country?

- Should the company use the warranty as a competitive weapon? Standardization or customization?

Although the goods sold in different countries are the same, the company must determine the suitability of the goods it sells abroad to that market. What should be the price of the export product?

- Reasonable

- Profitable

- Competitive

- SIF prices (including Cost, Insurance and Freight Cost, Insurance and Transportation costs (...indicating the port of delivery))

FOB Prices

One of the important factors to determine when entering international markets is price. Price is an economic category that is a tool that buyers respond to regardless of whether markets are local or global. In this regard, the following issues related to price are clearly defined:

- Price calculation method

- Pricing policy for new products

- Same or different prices in different markets

- Adaptation of the price to the life cycle of the product

- Price restrictions, etc.

Valuation methods. Cost-based pricing. Here, the profit margin that the manufacturer wants to obtain is added to the cost of the product. The main weakness of this method is that it does not take into account the demand for the product and may result in the seller not being able to sell his products. The main methods of this approach are as follows:

Total cost pricing: This method takes into account all variable and fixed costs as well as the net profit that the producer wants to make.

Pricing based on direct costs. Pricing based on direct costs is calculated according to a special formula:

$$DC = BM + DC + VC + PC + P\dot{I}$$

Here: DC - direct costs, BM - basic materials (raw materials), DC - direct labor costs, VC - variable production costs, PC - additional production costs, P \dot{I} - producer's net income.

Pricing based on marginal cost. Marginal cost pricing is a special accounting method. Here, marginal costs are determined based on additional variable costs. In this method, the price of 1 unit of the produced product is determined according to the change in total costs

Breakeven pricing. Costs can be classified as variable and fixed costs. Variable costs increase as production increases, while fixed costs remain the same regardless of production volume. The break-even point represents the sales volume at which there is neither a profit nor a loss

$$BP = TC1 / (Q1 - VC1)$$

Here:

BP – breakeven point,

TC1 – total fixed costs,

Q1 – the price of a number,

VC1 – variable costs per unit.

Break-even pricing allows a company to compare the revenue outcomes of the sum of alternative prices. The company can set the price according to the sales volume to achieve the maximum profit.

Note: Sales costs incurred in the domestic market are not taken into account in determining the price in all cases.

Pricing based on the market. There are two main methods of market-based pricing: demand-based pricing and competitive pricing.

Pricing based on demand. This method is based on customer perceived value pricing. Here, a high price indicates high customer interest and a low price indicates low customer interest.

Competitive pricing. This method is based on changing the behavior of competitors. Here, exporters set their prices based on their competitors.

The main forms for this are as follows:

Price according to tariffs: here the price is determined by the leading companies of the market.

Bid prices: are the prices that companies set to win tenders.

The main price types used in international trade are:

Base price – used to determine the type and quality of the product, determined in negotiations between the buyer and the seller;

The purchase price is determined by the terms of shipment of goods (INCOTERM);

The world price is determined depending on the type of products.

Advertisements are considered as the process of informing customers in foreign markets about the exported product, reminding them of the product and conveying messages related to their persuasion by the company and thus achieving more sales. The results of the analysis confirm these views. Advertisement especially; has a positive effect on export sales intensity and karna performance measures. The fact that exporting firms can achieve high sales through advertising applications is seen as a rational basis for this. Firms with high levels of export participation have higher advertising expenditures in export markets than firms with low levels of export participation. In particular, advertising expenses are very important for exporters in export-oriented growing economies. Because these exporters have not sufficiently created brand awareness in foreign markets, the exporters' advertising expenditures in foreign markets positively affect the firm's performance.

When we examine the structure of exports in the world, we see that companies that make a difference have unique marketing tactics. A condition for constant presence in the market is to follow new trends and not fall behind the changes. Developments in technology and communication reduce the importance of distance, one of the main challenges in exporting, language differences are no longer as relevant to a number of problems due to globalization and easy access to information. Fast trading and continuous information provision through the Internet can be described as advantages for exporters in the information age. In addition, although the fact that the Internet creates the same opportunity for everyone seems like a disadvantage for the entrepreneur, according to Michael Porter, these conditions should be accepted as normal in order to create a competitive advantage. So, the same opportunities allow us to compete on equal terms, but on the other hand, it creates certain difficulties for those who do not use these advantages.

IV. DISCUSSION AND CONCLUSIONS

In today's era, companies facing international markets are faced with two choices. The first option is export. Exporting products by conforming them to certain standards and hoping that the product will find buyers in foreign markets is not an effective option in a competitive environment. This approach in itself is insufficient in terms of achieving the desired result. The second option is export marketing. This approach shows what companies can sell by researching foreign markets. It aims to investigate and evaluate whether the requirements of foreign markets are realized or not with the obtained information. The main factor affecting the company's long-term and permanent activity in foreign markets appears to be the ability to manage. Therefore, companies will get more effective results by accepting the concept of "export marketing" and determining its application.

Marketing and its important elements are in the focus of attention, as the desires and needs of buyers dominate the markets in the global world today. In almost all manufacturing industries, business activity marketing strategies develop in context. Although the elements of the marketing mix applied across countries differ, product, price, distribution and promotion factors play an important role in this spectrum. The application of these elements affects the export indicators of enterprises and increases their development potential. At present, the development of export activity takes place at the expense of

companies that have a wider experience in accessing international markets. However, this does not mean that it is impossible for companies that have recently moved beyond the borders of the country to succeed. It is possible, and one of the most optimal ways to solve it is successful marketing strategies formulated against all the features of the economic conjuncture, rich in uncertainties.

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