

Wireless charging marketing strategy framework in russia



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This fueled its rapid economic growth in the early part of this century, but integration comes at a price and the headwinds facing the world economy today threaten Russia also. The country was exposed to the crisis that started in the final quarter of 2008. As national GDP fell 7.8% for 2009, but by 2012 a number of regions have largely returned to pre-crisis levels. In 2011 Russia's per capita GDP (USD 2,995) was the highest among BRICS countries. President Putin and Prime Minister Medvedev promised to create a modern, innovative economy, less reliant on mineral exports.

Russia is expected to become the largest consumer market in Europe by 2020 as its per capita GDP triples to 35,000 USD, and the fifth largest economy globally (in GDP measured at PPP terms). It is obvious that the Russian government is taking serious efforts towards making changes in the Russian economy and making Russia more attractive to foreign investors.

Global Environment: I. Global Economy Russia has some of the world's largest reserves of oil, natural gas and other raw materials, many of which are critical to industrialized countries. Many European countries and former Soviet states are highly dependent on Russian natural gas.

Russia is a significant player on a number of issues critical to the United States, such as nuclear proliferation by Iran and North Korea. Russia's perceived national interests do not always match those of the United States, creating an environment for disagreement if not conflict. Russia is also a member of the group of highly developed economies. A strong macroeconomic environment (22nd) owing to low government debt and a government budget that has moved into surplus is not enough to

compensate for the country weak and deteriorating public institutions(33rd)and its struggling innovation capacity(85th).

The country also suffers from inefficiencies in the goods(13th), labor(84th)and financial(30th)markets, where the situation has deteriorated in recent years. It. Cultural and Social Forces Russia is the world's largest country in terms of territory, with a consumer market of over 140 million people, vast natural resources, a highly educated workforce and technologically advanced research and production capabilities. Russian's sustainable competitiveness will likely be affected by environmental and social factors, in addition to productivity, which is captured by the global competitiveness index.

The country ranks particularly poorly in environmental sustainability, with some of the poorest ratings globally for three indicators: the strength of environmental regulations; the number of international environmental treaties ratified by the country; and the quality of the natural environment. Russian's social sustainability performance lags behind Organization for Economic Co- operation and Development (COED) economies and is lower than in China and Brazil, although Russia outperforms India.

In this regard and contrary to most other competitiveness measures, Russian's profile differs from its IBIS peers (Brazil, India, China and South Africa) The global energy landscape Evolutions in the global energy landscape guide the dynamics of oil and gas prices, which currently determine to a large degree Russian's gross domestic product (GAP) and fiscal revenue. High oil prices currently support a strong macroeconomic

position. This, however, also creates deep uncertainties about the country future should energy prices drop.

The institutional environment A range of competitiveness pillars are directly and indirectly attributable to the quality of domestic institutions. High levels of corruption, deficiencies in the rule of law and lack of market competition, to name a few, limit the potential of the Russian economy. Yet even small changes in these institutional factors could also be important enablers of economic growth in the future. Social cohesion How social dynamics will play out in the future and impact on Russian's competitiveness is highly uncertain.

Popular discontent may emerge from different parts of society (middle class, young generations, regions, etc.) and directly affect the stability of the economy. iii. Political Legal The Russian Federation consists of 83 constituent entities (46 Oblasts (regions), 21 republics, nine Kraia (territories), four autonomous districts, one autonomous Oblast and two Federal cities (Moscow and St. Petersburg)). Formally, all of them have equal status.

Regions (Oblasts) and territories (Kraia) are areas in which the ethnic Russian population is the majority. Republics are ethnically based and have a slightly higher status, which, for example, allows them to have their own constitutions. Autonomous districts and the autonomous Oblasts are also theoretically ethnically based, but in reality the ethnic Russian population is the majority there. Entry together, the Federal government and the regions reached a compromise in the form of bilateral power-sharing agreements.

When Vladimir Putin was elected president in 2000, he started to strengthen the central government vis-a-vis the regions and introduced seven Federal districts (Central, North-West, Southern, Far East, Rural, Siberia and Far Eastern). The Federal government also began unifying the regional political structures and legislation. Since the mid-90s the local population elected almost all regional governors, but in 2004, the legislation was changed. Since then, regional legislatures have appointed governors who are recommended by the President of Russia.

In Russia, the main trade-related laws and the Russian Federation, "the principle of state regulation of foreign trade activities Law," "Law state regulation of foreign trade activities", "Customs Code of the Russian Federation", "Customs Tariff Law," "technical adjustment method" "On special protection against imported goods, anti-dumping and countervailing measures the Federal Law" and "foreign exchange regulation and supervision", "protect national economic interests in foreign trade measures" and so

Since 1991, Russia's foreign trade management system for a thorough reform, the abolition of the monopoly of foreign trade management system, all enterprises registered in the Russian territory have the right to engage in foreign economic activities, including intermediary business. In addition to some of the goods subject to licensing, quotas and other restrictions, the vast majority of goods have been liberalized operations. List of imported products should be compulsory certification recognized" the Russian Federal Customs January 2005 release includes some of the imported animals and plants in their products, food, alcoholic and non-alcoholic beverages, textile <https://assignbuster.com/wireless-charging-marketing-strategy-framework-in-russia/>

raw materials and products, machinery and equipment and audiovisual equipment, etc. Compulsory product certification. Russian government encourage foreign company direct investment mostly traditional industries, such as oil, gas, coal, wood processing, building materials, construction, transportation and communications equipment, food processing, textile, automobile manufacturing and other industries.

V. Regulatory Environment

The volume of foreign investment attracted by Russia is rising. In 2003, foreign investment increased by 26% in Euro terms to reach EURO. 3 billion; the level of foreign direct investment grew even faster, reaching EURO. 0 billion in 2003, and making up 22. 8% of all foreign investment received by Russia during the period (versus 20. 2% in 2002). The most attractive sectors for foreign investment include the oil industry, metallurgy and machine building, food, wood processing, retail trade, catering, and communications. Since 1998 the most active investors in Russia were Germany (16. %), Cyprus (1 1. 5%), UK (9. 7%). Stable and high growth rates - not only in the oil and gas industries but also in the nonuser goods sector. Potential areas of investment are expanding; ; A vast consumer market, which has registered rapid growth over the course of several years and continues to offer strong potential; ; Political stability and clear indications of the government's willingness to further develop the market economy - investment risks are approaching those of developed countries; At the same time several factors are impeding the flow of foreign investment.

These include administrative barriers and a high level of corruption among executive authorities and the Justice system, poor reactive of corporate governance and the underdevelopment of physical infrastructure. A new

International Finance Corporation and World Bank Doing Business report finds that from June 2011 to June 2012, the Russian Federation improved its business regulatory climate by focusing on reforms that make it easier for local entrepreneurs to pay taxes and deal with construction permits.

The 10th edition of the annual Doing Business report also finds that since 2005, Russia has implemented a total of 17 institutional or regulatory reforms that improve the business regulatory environment or domestic FL arms. Russia has taken important steps in the last year to narrow the gap in the quality of the business environment with respect to that existing in high-income economies," said Augusto Lopez- Collar, Director, Global Indicators and Analysis, World Bank Group. That is part of the government's continuous effort to improve the country investment climate, which was recently highlighted by President Vladimir Putting as a top policy priority. " The ease of tax collection rank for Russia is up from #105 to #64. Tax payments per year are down from 9 to 7, time spent on taxes has decreased from 290 to 177 hours per ear. Russia is up from #111 to #101 in the time and cost of setting up a new business, with procedures down by one to a total of eight, and time down to 18 from 30 days.

In recent years Russian top policy-makers have increasingly emphasized that joining the ranks of the most advanced market-oriented countries requires modernization of the economy. There is a broad consensus that it will not be possible in the long run to rely on continuous improvements in the terms of trade and the manipulation of idle resources to sustain rapid economic growth. Increases in output will need increasingly to come from making

better use of the available factors of production as well as new ways of producing goods and services.

This means creating an environment in which innovation and investment, including in human capital, can flourish, something which will require further reforms in many areas. The current initiative to modernise the Russian economy marks a break with the past, with the approach being to achieve modernization by making it attractive to live, study, work and innovate in Russia, with the development of democracy, including stronger articulation of civil society, and a cleaner environment. V. Global Trade Environment and Relations The Russian Federation ranks 67th in The Global Competitive Report 2011-2012.

A strong macroeconomic environment (22nd) owing to low government debt and a country with weak and deteriorating public institutions (33rd) and its struggling innovation capacity (85th). The country also suffers from inefficiencies in the goods (13th), labor (84th) and financial (30th) markets, where the situation has deteriorated in recent years. Weak market competition (13th), caused by inefficiently policies (24th), restrictions on trade and foreign ownership and a lack of trust in the financial system (13th), contribute to Russia's vast resources being inefficiently allocated, hampering economic productivity.

As the country's economic development advances, its lack of business sophistication (19th) and low rates of technological adoption (13th) will present challenges for its sustained progress, although the high level of education enrolment, especially at the tertiary level, and a large domestic

market (7th) can be exploited to improve Russian's competitiveness. Russia has a similar competitiveness profile to its IBIS* peers *IBIS: Brazil, India, China and South Africa Source: World Economic Forum Global Competitiveness Report 2012-13 Russia foreign trade has increased sharply in the last ten years (1999-2008).

During that period. Russian exports grew close to 525%, from \$75. 5 billion to \$471. 6 billion and Russian imports rose close to 640%, from \$39. 5 billion to \$291. 6 billion. As a result, Russia has experienced rapidly increasing trade surpluses. Its merchandise trade surplus rose from \$36. 0 billion in 1999 to \$179. 7 billion in 2008. Russian's rent account balance (which includes balances on merchandise trade, trade in services, investment income and unilateral transfers) increased substantially, from \$24. Billion in 1999 to \$102. 3 billion in 2008. As a result, Russia accumulated one of the world's largest foreign reserve holdings that have skyrocketed from \$12. 5 billion in 1999 to \$427. 1 billion at the end of 2008. Russian's investment climate had improved during the last few years, a byproduct of Russian's robust growth. Between 1999 and 2008, annual FED flows into Russia rose from \$3. 3 billion to an estimated \$60 billion. However, the Russian government could hamper foreign investment in the future.

VI Global Marketing Opportunities The country is clearly full of opportunities. According to US Ambassador to Russia, Michael McCall, " Those doing business in Russia are already fairly satisfied... " Russia first applied to accede to the General Agreement on Tariffs and Trade (GATT) in 1993. The application was converted to one for the World Trade Organization (WTO) in

1995 when that organization was formed and became the administrative body for the GAIT and other multilateral trade agreements.

The process slowed down during the Yelling period as the leadership was preoccupied with other political and economic issues. After along period of negotiations, Russia finalized its accession to the World Trade Organization(WTFO) in 2012. This step is expected to require a number of regulatory changes and enhance competition in the country domestic market by increasing opportunities for foreign investments in a wide range of sectors(including banking, insurance, business service, telecommunications and distribution).

Developments in innovation and modernization of the economy Over the past few years, Russia has made significant strides towards innovation-based economic development. The Russian President and the government have voiced their support and are allocating substantial budget funds towards these goals. Russia is striving to progressively develop and overcome the failures of the sass to compete globally and, at the same time, to take advantage of international best practices.

The Russian President has already declared that Russian's goal is to gradually change from an oil and raw materials oriented economy to a technology oriented one. To each this goal, Russia will increase the hi-tech sector's input into GAP, grow the proportion of innovative products out of total production output, increase R spending and promote centralization of Russian innovative products. Many are skeptical about Russian's chances for success. Nonetheless, the goal is set.

Currently, the Russian business community is actively involved in discussing Russian's innovation strategy, which is set for 2020 and is considered as a basis for a consistent state policy, at the very least, in the following areas: economic development, support ND stimulation of the talent pool, protection of intellectual property, establishment and support of the required infrastructure, improvement of the legislative framework, reduction of administrative (tax/customs) barriers, provision of tax incentives, creation of the prerequisites and demand for innovative products.

Evil. Marketing Decision According to Soon & Partners Consulting estimates more than 12.3 million smartphones were sold in Russia in 2012, which represents 52% growth rate compared to 2011. Fell dramatically. Battery is the weak point of the majority of smartphones. In 2010 the weighted average of the battery capacity equaled to 1261 mAh. By the end of 2012 this figure increased by 12% and equaled 1,411 mAh. According above analysis, switch to wireless charging device becomes an important technological development trend of smartphone development.

The device is charged through electromagnetic induction, when energy will be transferred through a magnetic field from the electric coil in charging device to the coil in device to be charged. The technology requires the use of chargers in the form of smartened stand. Initially this scheme was implemented in smartened Alumni 920 and stand Wireless Charging Plate produced by Monika. Currently more than 30 models of smartphones support this technology, including phone, LOG and ETC devices.

Viii Designing Global Marketing Programs Entry Mode Selection: Contact potential partner By studying the Russian market, starting with an export to establish relationships with distributors in Russia. Establishing multiple strategic partnerships with the top of the wireless charging industry. Build a Wireless Power Consortium, lower the marketing cost and distribution hurdle. Licensing and certificate Certified products will demonstrate the benefits of industry standard convergence through multi-vendor product interoperability in a cost effective way.

All certified products go through the certification program to minimize investment uncertainties for all entities in the value chain from technology providers to end-users. Build relation with local vendors in Russia that qualify for and achieve the product Certification provide their customers a level of assurance of interoperability which gives service providers and end users the confidence and flexibility they desire.

The main approach enables a way to seamlessly providing and use wireless power technology wherever the infrastructure is deployed. Target Market: Target consumer group for students and business people who travel frequently, The consumer who Sensitive to high-tech products . Positioning: We offer the Russian customer with a guarantee of standards-based quality smartened wireless charging device. Bring more Joy and experience to everyone's mobile digital life.

Product: Main function: Wireless charging - ability to power smartened without a plug. Basic features: Trendy Design, Slim Shape, Smart and Safe. Simplicity: Eliminates the alignment of devices. Spatial Freedom: Allows for

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separation between pad and devices. Price: Price is most important motivator in Russia, take penetrate marketing pricing as strategy in order to open the Russian market. Based on comprehensive analysis of products according to the cost of from R & D to transport distribution promotion.

The price of per unit is about \$45-\$60. Distribution: Select appropriate local distributor as a partner with link to potential customer. From the start , maintain control over marketing strategy. Distribution channels will ritually cover the whole Russia district. The chain stores of digital products, wholesale market of communication products and IT accessories wholesale market will achieve the brand coverage in the very near future. It is also expecting to make great achievements in network sales of e-commerce BBC, ICC channel.

Online sales: To start with Russian's retail sector being the fastest growing among BRICK countries and Russian Internet growing faster than almost anywhere else in the world, giving Russia second position in Europe, after Germany, with more than 42 million internet seers and almost 90% of Russian internet users making online purchases, makes it important to study (Commerce, 2012). Russia has a rapidly developing Internet presence with Russian use of the Internet accounts accounting for a sizable percentage of use internationally.

Internet use is steadily increasing in Russia with Russian language based web sites exploding and substantial percentage of population going online. Notably, around 50% of adult population belongs to the Internet users and 15% of those are shopping online regularly putting Russian consumers in the

top 10 European countries. Ahead of Italy (13% and 25% especially) and Greece (10% and 27%) (Taillights, 2012). Promotion: Conducting the advertisement research we were mainly answering the question, which promotional means were more likely to reach the target audience.