

# Intro and conclusion

[Business](#), [Marketing](#)



Introduction Globalization has brought huge changes in international market. Cross cultural businesses or international businesses are growing day by day all over the world because of the readiness of countries in implementing globalization and liberalization policies. It is an accepted fact now that no country can develop properly with the help of internal resources alone. This fact is true in the case of developed country as well as underdeveloped countries. Even America and China like highly developed countries are currently doing everything possible to attract foreign direct investments. Greece is one of the prominent countries in the European Union. However, unlike many other countries in EU, Greece is currently struggling a lot because of financial problems. EU is doing everything possible to revitalize Greece's economy. However, the depth of the financial problems facing by Greece seems to be big. However, Greece still offers enough opportunities to foreign direct investments. Greece realized that internal resources are limited to streamline the economic progress in the right path. Currently they are trying hard to attract Foreign Direct Investment as much as possible to escape from the financial problems. New products and existing products have equal opportunities in Greece at present. Because of the blind faith in the abilities of Americans, American products are accepted with both hands by Greeks. Product manufacturers in America can capitalize on such attitudes of Greek people.

We have planned to develop a new multipurpose product; alarm clock/ smart phone charger / coffee maker and market it in Greece. This paper is written as a marketing plan for the newly developed alarm clock in Greece.

Population

The current population in Greece right now is 10, 767, 827 (“ Greece Demographics Profile 2013.”). There are currently 4, 704, 248 people that makes up our products target market, which is roughly 44% of the total current market (“ Greece Demographics Profile 2013.”). Over the past three years, Greece’s economy has been on the decline and with the recently raised income taxes, there has been a decline in disposable income as well (“ Cafes/Bars in Greece.”). For the average adult, the normal work week consists of 40 hours, but during this time, Greeks do not take normal lunch breaks (“ Cafes/Bars in Greece.”). Instead they take multiple short breaks throughout the day in which they get coffee or a quick snack (“ Cafes/Bars in Greece.”). Coffee has become apart of Greek culture where its is a daily routine. Greeks drink coffee not only throughout the day, but into the evening as well. Right now, there has actually been a steady increase in “ coffee on the go” caused from the busy lifestyles that are trending in Hollywood films (“ Cafes/Bars in Greece.”).

### Target Market

The target market for our alarm clock is going to be adults from the ages of 25-45. We have chosen this age group because at this age, the majority have a regular full time day job or other responsibilities, as stated previously. We are specifically targeting this market in the urban city of Athens, which is also the capital of Greece. Athens doubles in population to the next largest city in Greece and portrays the lifestyle of “ on the go” with city dwellers. The average income for this age group is \$20, 000-35, 000 in US Dollars, so we will be targeting our product with a price emphasis (“ Income And Expenditure: Greece.”). By targeting our product as such, it will be seen as

more of an item that every household should be equipped with in order to function, and not a luxury item. Plus since coffee is a part of their everyday life and with timeliness becoming more important, our product can start to fulfill a growing niche for both males and females. With a decreasing disposable income and an average price for a cup of coffee at €4. 50, local coffee shops are having to cut their prices and increase promotions in order to keep the same flow of traffic that they once previously had (“ Cafes/Bars in Greece.”). Even though there is a smoking ban in Greece for public places, much like America, the cafes still allow there to be smoking (“ Consumer Lifestyles In Greece.”). They are also offering deals such as a free pastry with purchase or buy-one-get-one deals as well (“ Consumer Lifestyles In Greece.”). Even with these added promotions, top competitors are still having to close some stores (“ Consumer Lifestyles In Greece.”). So by having an alternative and cheaper option of making it yourself at home, it will hopefully become a growing new trend. They will still be able to have their daily coffee in the convenience of their own home and it will overall be less costly in monetary and time.

### Economic Activity

In 2010, Gross Domestic Product (GDP) in Greece was €22. 3 billion or \$301. 3 billion USD and per capita income stood at \$26, 940 USD (U. S. Commercial Service). Assuming that there are two working individuals in a household, this would equate to an average family income of \$53, 880 USD. The European Union (EU) only anticipates 0. 5 percent growth in GDP during 2012 due to the current EU financial crisis that involves sovereign debt and the banking system (U. S. Commercial Service).

Two industries that are relevant to our product are the coffee/beverage industry and the technology/household appliance industry since our product is an alarm clock / smart phone charger / coffee maker. U. S. technologies are well-respected in the Greek market due to their innovation and quality. “ For products to achieve a high success rate in developed markets they will need to embrace connectivity across a range of electronic devices; this is what consumers will increasingly consider essential” (Euromonitor International). In addition, smart phone use is currently on the rise in Greece, smart phone penetration is now at 15 percent and is especially prevalent among males age 18-34 (U. S. Commercial Service). Coffee is an important part of Greek culture. “ Last year, Greece knocked back the per capita equivalent of 75 RTD litres of instant coffee. Globally, only the UK, the Czech Republic and Australia boasted higher consumption. In fact, fresh and instant coffee collectively accounted for more than one out of every three litres of non-alcoholic beverages consumed in Greece in 2008, a higher ratio than anywhere in the world.” (Euromonitor International). This being said, our product is in line with economic conditions because it does allow for connectivity across a range of devices (namely the coffee maker and alarm clock) and Greece is one of the largest consumers of coffee globally.

#### Distribution

There are several retailers in Greece that would possibly have an interest in carrying our product. One retailer is Carrefour, which was formed in 1995 and has grown to over 300 retail locations in Greece (Carrefour). It is the largest retail chain in Greece and it is also a multinational chain. They are quite similar to a Super Walmart or a Target, in that they carry both food and

non-food items. Electronic and household appliance chain, Kotsovolos, would be another prime retailer option. It operates 103 stores throughout Greece and has been in business since 1950 (Kotsovolos). Another option that exists for our product is internet sales, the product could be exported to Greece if it was manufactured elsewhere.

The distribution density that would fit best with our product would be selective (available in limited types of outlets). It is not something that is purchased on a daily basis but we would want it to be sold in a convenient location that specializes and/or carries household/electronic appliances. Our target market would most likely be under the age of 35 (the majority of smart phone users in Greece), so we would want to select retailers that cater to this market.

Distribution laws that could affect our product being sold in Greece include one that applies to exporting that specifies that if the product is tested and certified in the United States, it would need to be retested and certified to Greek standards according to European Union requirements before it could be sold in Greece (U. S. Commercial Service). If we were to distribute our product via internet sales, it would be subject to the Electronic Commerce Directive (2000/31/EC) which requires companies to follow the e-commerce rules of their home country (U. S. Commercial Service). In addition, there are various laws that apply to misleading advertising.

The majority of imports to Greece are managed by sales agents or distributors. Many distributors operate on a wholesale basis and maintain offices in hub cities such as Athens (U. S. Commercial Service). They solicit orders from retailers and/or act as a wholesaler in return for a commission.

The agreement usually specifies exclusive sales rights for a certain region of the country.

Our product could be manufactured in the United States (or another location) and exported to Greece. It could also be manufactured in Greece, however, as mentioned earlier, U. S. products are well-respected there due to their innovation and quality. Therefore, it may be best if our product is produced in the U. S. If produced in the U. S. our product could get to Greece via several transportation methods, including: ocean cargo or air freight. Air freight would cost more but would allow for quicker delivery time. Rates would be dependent upon the amount of product shipped at any given time (i. e. the weight of the shipment) and the service selected.

## COMPETITION

Recently, the coffee industry in Western Europe has grown and become more dynamic. The consumption of coffee machine that ranges from espresso, filter, percolators and a combination coffee machines is worth to be \$2 billion in Western Europe ("If You Think That the Future of Coffee Machines is All Pods, Think Again"). This \$2 billion is also said to be greater than coffee machines that are sold in North America by at least 2 times ("If You Think That the Future of Coffee Machines is All Pods, Think Again"). The reason behind this price competition at the moment is that a standard coffee machines in the Europe is sold at an average rate of \$144 while in the North America it is sold at \$42 ("If You Think That the Future of Coffee Machines is All Pods, Think Again"). Consumers in Western Europe are expected to purchase less frequently but when are making a decision to buy a coffee machine are willing spend more ("If You Think That the Future of Coffee

Machines is All Pods, Think Again").

In this market, we are expecting entry level to be difficult and are informed that it is a very competitive business. For our product we will be competing along with some of Greece's major coffee machine brand such as MyCoffee Hellas, DILOCO Trading Ltd., and InterZag ("Coffee Machine"). These three coffee brand manufactures sell a verity of products beyond coffee machines such as catering, ice cream, and deep fryer machines ("Coffee Machine"). They all work internationally too because some of them are ISO 9001 certified and are known in different a few other countries as well ("Coffee Machine"). To be more in depth, MyCoffee Hellas's success comes from its three types of coffee machines called the Capsy, Goldstar, and Rotary. The Goldstar however is one of the most distinct products from MyCoffee Hellas because of its low price and easy to use features ("TRACK & A. IOE"). As to the other two products they are featured with extra things such as temperature control, style, and cups. These coffee machines are very similar in physical appearance and are meant to be placed on tables or counter-high areas in offices or homes.

An indirect competition that we might face when doing business in Greece is competing with other eating or drinking machines. Most of these manufactures brands that sell coffee also sells other kitchen appliances for restaurants and a product line of different types of coffee beans ("TRACK & A. IOE"). This is one of the biggest competition towards our product the Buzz-café when considering entering the coffee machine business in Greece.

## MEDIA

The types of media uses in the country of Greece are television, internet,

radio and the press. One of Greece's major usages in media is television that accounts for 78% of the population (" Greece Country Profile"). Surprisingly, the internet is ranked third on the list of usage of media and the press above (" Greece Country Profile"). In this case, selling our product the Buzz-Café the television and newspapers would be the prefer media. This would attract to our target segmentations. In a recent finding, the cost to host a 30 second advertisement on a Greek television channel called Mega TV is priced at 2, 280 € (" Greece Country Profile"). As for a 30 second advertisement on the radio channel called Metropolis 95. 5 it would cost 54 € (" Greece Country Profile"). Newspaper advertisement cost would be based on the rate of what the newspaper we would want to use and an average cost would be around 10, 000 € (" Eleftherotypia Journal Speech database"). The television would Greece's most important form of media to advertise in since majority of the population watches TV. Broadcasting in Greece is usually unregulated by the European standards and there are some radio and television stations that are not licensed (" Greece Country Profile"). Social media in Greece is an important part of the daily lives of the younger generation. In a recent research by the OWMI website 91. 7% of youth uses at least one type of social network (Filippopoulou). Social media in the recent decade has been increasing dramatically but in Greece social network has increased by 350% in 2010 (Filippopoulou). With our target audience for our product being in the ages of 18 through 50 segments the television would be our best marketing tool. Social networks however might be a way we can get our product to stand out with the younger generations as majority of youth uses the internet.

## Conclusions

Greeks have blind faith in the abilities of Americans in producing electronic goods. Therefore, American products are welcomed wholeheartedly in Greece. The utility of alarm clock for the people in the age group of 25-45 is more compared to people in other age groups. This is because of the fact that professionals belong to this age group and time management is extremely important for them. Greeks are more interested in taking coffee breaks rather than lunch breaks. Alarm clock will help the professionals in managing their coffee breaks in an efficient manner.

Since alarm clock / smart phone charger / coffee maker is not a luxury commodity, but an essential commodity, Greeks will welcome this product wholeheartedly. The ongoing financial crisis may not prevent them from spending few dollars for the purchase of this product which will help them to streamline their professional activities. Two industries that are relevant to this product are the coffee/beverage industry and the technology/household appliance industry.

Offline marketing with the help of retailers seems to be the most viable option compared to online marketing option for this product. This is because of the fact that online distribution of this product can be possible subjected to the Electronic Commerce Directive (2000/31/EC) which requires companies to follow the e-commerce rules of their home country. Carrefour, Walmart and Kotsovolos are some of the prominent retailers in Greece and these retailers might show interests in marketing this new product in all probabilities. MyCoffee Hellas, DILOCO Trading Ltd., and InterZag are some of the major competitors for this product in Greek market. However, with the

help of effective advertisements in Greek television, internet, radio and the press, this product can cement its place in the minds of Greek people.

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