

Global marketing essay example

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



Global Marketing

As a “ born global” brand, Cochlear has an extensive experience in global biotechnology, designing, creating, manufacturing and delivering hearing devices for hearing impaired, since 1977 (Cochlear official website), entering each new market knowing that the market needs to be educated into using the multi-channelled cochlear implants (Liesch et al. 2007, p. 8).

Among its overseas market, this original Australian brand also activates in Romania, a European country, and moreover, a member if the European Union. This paper discusses how the macro - environment of Romania affects the global marketing mix of Cochlear’s.

Macro-environment refers to political, economic, social and technological aspects that reflect a country’s level of openness, stability and flexibility in receiving and/or embracing foreign investments and in adjusting to the international market trends (Brooks, Weatherston & Wilkinson, n. d., p. 397).

Politics

Romania is an independent parliamentary republic, led by a President, having one government that performs the judicial, executive and legislative power (Bica, 2008, p. 3). The political life in Romania is defined by instability, but also by the corruption of the state apparatus, an observation that has been repeatedly underlined in various country evaluation reports made by members of the European Union (Bica, 2008, p. 3). The opportunities that Romania has for increasing its competitiveness in terms of attracting more foreign investment would stand in strengthening the country’s government, fighting corruption through promoting transparent political processes,

mitigating its weaknesses for becoming a vibrant and solid democratic country, representative for the image of European Union (Bivolaru, Andrei & Purcaroiu, 2009, p. 107). For attracting foreign investments, the country is currently pursuing a liberalized policy, based on gradually changing its trade regulations into being more flexible and applying incentives according to the guidelines provided by EU (Bica, 2008, p. 4).

Economics and Social

The recent global recession has affected Romania also, and this was manifested through a slowdown of the new businesses and the emerging investments that characterized the country previous to the commencement of the economic crisis. Foreign investors became more reluctant when looking at Romania for their investments, considering the fact that it is an EU member state and that EU has been severely hit by the crisis and it is currently experiencing a debt crisis (Index Mundi, Romania).

The social environment is defined by the country's population, its GDP, its unemployment rate, inflation rate or consumerism (Sigurjonsson, 2011, p. 4). Romania has a population of around 21, 848, 500 people, and a GDP of \$265 billion in 2010, contracted with 1, 6% in the same year, as a result of the drastic austerity measures that had to be met for taking the lending from IMF or EU. These data place Romania among the poorest countries of the European Union, reflecting the features of a developing country. The positive changes in the Romanian economic environment has led to a re-stabilization of GDP, reaching \$271, 5 in 2011 (Index Mundi, Romania). In 2012 the country registered a 4. 3% unemployment rate, down from 5. 1% as it was in 2011 (Index Mundi, Romania), indicating a slight comeback of the country's

economy.

The inflation in Romania has known high fluctuations, reaching currently 5.6%, programmed to decline towards 4.1% at the end of the year and it has led to the explosion of the food and energy prices (Sinca, 2013, p. 4), determining a slowdown of the consumerism, which was flourishing previous to the economic crisis, making the consumers more responsible with their purchases and more demanding (Voinea & Filip, 2011, p. 14).

Technology

As in the other EU member states, Romania possesses great innovation opportunities and the technology and information communication is advancing at fast space, being registered almost 8 million internet users in 2009 (Index Mundi, Romania). However, there is still a large percentage of Romanians that do not have computer skills or internet access since they do not own computers (Bica, 2008, p. 14).

However, because the access to information has become cheaper, many Romanians are getting informed about the products that they intend to purchase from internet, allowing them to make careful judgments about their investments (Voinea & Filip, 2011, p. 16).

Cochlear's Marketing Mix

In this macro-environment, characterized by political instability and still existent corruption in the political structures, an economy that is challenged by the Euro debt crisis, while its pursuing the liberalization of its foreign investment policies, encouraging investors to pursue Romania as it manages to maintain its economic stability, by a reduction of the unemployment rate,

yet an increasing of the inflation and decreased consumerism, Cochlear would find both advantages and disadvantages for developing its marketing mix in this country. The macro - economic environment from Romania can influence Cochlear's global marketing mix, simply because of the fact that adjusting to the above described PEST conditions would mean approaching an international brand adaptation, which implies customizing the components of the marketing mix to the local overseas market(s) (Brei et al., 2011, p. 267).

Marketing mix describes a practice that translates into the short term or long term marketing planning, by mixing the 4Ps: product, price, placement and promotion, which are perceived as the key ingredients of creating a differentiation (Goi, 2009, p. 2).

The product is the one that would suffer the least adaptation, because due to its technical specifications it can only function in the form that it currently reached. In general, the literature finds that in choosing between standardization or adaptation of the product in the overseas markets, companies determine the strategy they would select thinking about the performance that it would bring (Brei et al., 2011, p. 268). In the current case, however, the product cannot be adapted and it is not required to be adapted, since the hearing impaired require the same devices and technology regardless of their country of residence.

The price component, however, can and should be adapted to the market. Considering the Romanian social realities, the percentage of unemployed and the increased inflation that caused the decreased consumerism, adapting Cochlear's products on the financial possibilities of Romanians (or

of other overseas markets) would be appropriate for the organization.

In terms of placement, the product requires to be positioned in pharmacies, hospitals and other medical institutions in order to be at hand for the persons in need. Again, this component requires no adaptation, considering the fact that this is a strategy that can be applied the same in all the markets where the products are delivered.

The promotion component of the marketing mix should be adapted, taking into account the local social realities and the economic, political and technological aspects. Therefore, the messages should be clearly adapted not standardized, in order to respect the cultural diversity (Mesdag, 1999, p. 74) and there should be used both the classical channels (print, radio, television) and the online channel, considering its high potential.

References

- Bica, 2008, PEST analysis of Romania. Retrieved 11 September, available at < [http://unrealestates. bg/PEST%20ANALYSIS%20OF%20ROMANIA. pdf](http://unrealestates.bg/PEST%20ANALYSIS%20OF%20ROMANIA.pdf) >.
- Bivolaru, E, Andrei, R & Purcaroiu, G, 2009, “ Branding Romania: A PESTEL framework based on a comparative analysis of two country brand indexes”. Management & Marketing. Vol. 4, no. 4, pp. 101 – 112. Brei, V, A, D’Avilla, L, Camargo, L, F & Engels, J, 2011. “ The influence of adaptation and standardization of the marketing mix on performance: a meta – analysis”. Brazilian Administration Review, vol. 8, no. 3, pp. 266 – 287.
- Brooks, I, Weatherston, J & Wilkinson, G, n. d., Globalisation, challenges and changes. The International Business Environment.
- Cochlear, n. d., Official Website. Retrieved on 11 September, 2013, availavle at < [http://www. cochlear. com/wps/wcm/connect/intl/home](http://www.cochlear.com/wps/wcm/connect/intl/home) >.

Goi, C, L, 2009, " A review of marketing mix: 4Ps or more" International Journal of Marketing Studies. Vol. 1, no. 1, pp. 2-15.

Index Mundi, n. d., Romania. Retrieved on 11 September, 2013, available at < <http://www.indexmundi.com/romania/> >.

Liesch, P, Steen, M, Middleton, S & Weeawardena, J, 2007, Born to be global: a closer look at the international venturing of Australian born global firms. Australian Business Foundation.

Mesdaq, M, 1999, " Culture-sensitive adaptation or global standardization - the duration-of-usage hypothesis." International Marketing Review, vol. 7, no. 1, pp. 74 - 84.

Sigurjonsson, N, 2011, Analyzing Iceland economy and trade. Aarhus, Aarhus School of Business.

Sinca, E, 2013, Romania in 2013, Erste Group Research - Romania Macroeconomy Digest.

Voinea, L & Filip, A, 2011, " Analyzing the main changes in new consumer buying behavior during economic crisis", International Journal of Economic Practices and Theories, vol. 1, no. 1, pp. 14-19.