

Specifics of International Marketing and Management in Visegrad Countries – Qualitative Analysis of Selected Case Studies

Elena Horská

Slovak University of Agriculture in Nitra, Slovakia

8.1. INTRODUCTORY REMARKS

Marketing is a scientific discipline that helps to identify market needs, create products according to current customer needs, establish products on the market and create new needs. Its task in the international environment is to estimate the degree of homogeneity on the one hand and heterogeneity on the other and to propose a marketing program that will be positively accepted by target customers. There are products that can be considered more or less global by their nature and a role of a marketer is to create a standard marketing concept that meets the needs and preferences of the global market segment. On the other hand there are products (especially food products and consumer goods) which require the incorporation of local / regional differences, reflecting local customs, tastes, traditions, habits. In the international marketing these two approaches are known as standardization and adaptation.

The Visegrad region is not well known globally and most people identify Slovakia, the Czech Republic, Poland and Hungary as countries of Central and Eastern Europe. Geographically and geopolitically, it is indeed correct, but the people of Europe know the historical and political context that led to this classification. Both of these findings lead us to further analysis relating to the disclosure of the hidden specifics of the Visegrad region on the one hand, while at the same time some similarities with the other countries of Central and Eastern Europe on the other hand. Based on the long-term research of the theory and practice of international marketing and management in enterprises of the Visegrad region, we have compiled a chapter that summarizes the key aspects to be taken into account when creating a marketing program for the markets of Visegrad countries.

The attention is also paid to the success factors of internationalization and examples of good practice from the studied region.

8.2. MATERIAL AND METHODS

The issue of dealing with specific aspects of international marketing in diverse market conditions has always been the subject of different studies. Some studies concern the EU market and take into account the diversity on the one hand and the similarity in the framework of the European regions or defined clusters on the other hand. The same is true for the group of V4 countries. Despite several similarities, we find different exogenous factors in terms of historical, cultural and economic. The present chapter contains the results of qualitative research for the period 2006 - 2013, on the practical use of instruments of international marketing and management in the countries of the Visegrad region, selected countries of the European Union, respectively other countries as major trading partners of Visegrad countries. Presented research findings are the result of solving several national and international research projects.

A research project „Factors of Successful Internationalization in the case of the Slovak Agri-food companies“ addressed at the national level during research period 2006 – 2008 (VEGA Nr. 1/3757/06) was aimed at identifying success factors of internationalization on the food market. The main objective of the international research project „European Studies of Cultural Dimensions of International Business“ was to show the necessity of knowledge/acceptance of specifics of selected EU markets in developing marketing strategies for foreign markets (research grant to support international research cooperation No. G-516/01110 during period 2007 – 2009). The issue of degree of standardization, its appropriateness, necessity, respectively forms of introduction of a global product/marketing program on the local market was addressed within the research project. Another projects, supported from side of the International Visegrad Fund in 2007 – 2008 “Agricultural Markets and Trade: Evidence and Perspective of V4 Region and its Neighbour – Ukraine” (IVF Nr. 13065-2007), 2009 – 2010 „Economics, Social Policy and Citizenship in the European Union – Evidence of V4 Countries and Perspectives for Ukraine” pointed out the similarity of countries and markets of the Visegrad region with Ukraine and using the CAGE framework they specified the various aspects of similarity in the external environment. Finally, an educational IVF project (VUSG Nr. 61100001) “International Marketing: A Visegrad Perspective” being solved since 2012 aims to introduce the university teaching programme International Marketing at SUA in Nitra embedding the Visegrad aspects (territorial information on the market of Visegrad countries, practical examples, examples of good practice, visiting successful agri-food enterprises within the V4) and its output will be an international

textbook which will be used by partner universities in Poland, Hungary, Czech Republic and Slovakia, of course. The added value of the project is the dissemination in Russian-speaking countries (Ukraine, Russia, Kazakhstan) and teaching of selected chapters at the Kazakh National Agrarian University in Almaty, Kazakhstan.

Within the period of solving of the mentioned research projects we summarized background information and examples of good practice of more than 250 businesses of the Visegrad region, the EU and other countries, where businesses from Slovakia, the Czech Republic, Hungary and Poland operate. The above research base provides sufficient background and examples of good practice, which gives us the answer to the question outlined in the title of this chapter: What are the specifics of the application of international management and marketing in these countries? Eventually, what specific approaches are essential if an enterprise of the Visegrad region enters and successfully operates in countries outside the Visegrad region? When addressing the research tasks, standard research procedures (analysis, synthesis, comparison, deduction) and mathematical-statistical apparatus (in the evaluation of questionnaire surveys) were used. In addition to questionnaire surveys, managed interviews, panel discussions and observation were used to obtain the underlying data. Initial information was supplemented by secondary information obtained from corporate records and available technical and scientific publications.

8.3. RESULTS AND DISCUSSION

Distance Dimensions and Marketing Implications

International business activities are affected by international environment and the specific environment of the target foreign market which can be considered in terms of economic, socio-political, and cultural, but also in terms of economic maturity of the market. Implementation of international business activities requires getting to know and respecting diversity of the business environment in individual markets. When segmenting and selecting the foreign market, we can follow international factors of environment, but also the factors of the marketing mix (product, price, place, promotion).

In case of the food market, the culture factor plays an important role in creating market segments. When considering the territorial expansion and selection of target market the basic question is whether to enter business and culturally close or distant markets. The market selection matrix according to Lehota & Szucs (1999) defines the basic options as follows:

- In terms of business distance we distinguish between two fundamental alternatives: a similar market and a distant market in terms of trade (legal and administrative conditions for entrepreneurship, entering and leaving the market,

conditions for setting up a business, managerial communication, and cultural aspects of business environment).

- In terms of geographical distance we also distinguish between two basic alternatives: a neighbouring market and a remote market in terms of geographic (physical distance of the two markets, different natural, time and climatic zones, the impact of the distance on transport costs and related problems).

When selecting the target export areas the following criteria are crucial:

- International rating, internal political and economic development.
- Territory generates the need and demand for products.
- Territory has a stable political and economic development.
- Territory has a low level of inflation and a slow movement of consumer prices.
- Territory is not affected by sanctions.

The applied market selection matrix for the countries of the Visegrad region shows that the business conditions in the region are suitable for new as well as experienced businesses and meet all the criteria mentioned above. As an example we present the modified applied market selection matrix for the V4 countries and other European countries as defined within the research “Factors of Successful Internationalization in the case of the Slovak Agri-food companies“. Within the research, other European countries (EU and non-EU member countries) were considered and the research took into account the low versus high cultural context. European countries with high cultural context and/or large geographic distance are for example Malta or some Portuguese or Spanish islands (of course, from perspective of Visegrad countries) as the ways and costs of transportation make trading goods less competitive (it leads us to the conclusion that businesses might look for another ways of doing business, others than export, to eliminate high costs of transportation or problematic logistics).

In our research, considering the countries of V4, European Union and any other trading partner countries coming from any continent, we agree with the statement of Ghemawat (2007) that the real world is semi-globalised and borders continue to matter. Instead of treating differences versus similarities in absolute terms, he suggests to consider degree of differences. Practically, it can be done by modelling differences in terms of the distances between countries along a variety of cultural, administrative/political, geographic and economic dimensions (CAGE). As a result, the CAGE framework not only helps to identify the key differences in particular settings, it also affords to insights into differences by providing a basis for distinguishing countries that are relatively close, along the key dimensions, from those that are relatively far. For analytical and comparative purposes we can use either the CAGE framework at the country level or industry level. Ghemawat (2007) also offers possibility of bilateral and multilateral comparison of countries. The

CAGE framework, as noted, is an acronym for four broad components of distance. It is useful to distinguish between 4 components, because they have different bases and, partly as a result, present very different challenges and opportunities. The success of the foreign business is not only determined by a good quality of the products, but a solid preparation, search for adequate business partners, market knowledge, attentive acquisition of local staff and a well-founded business concept.

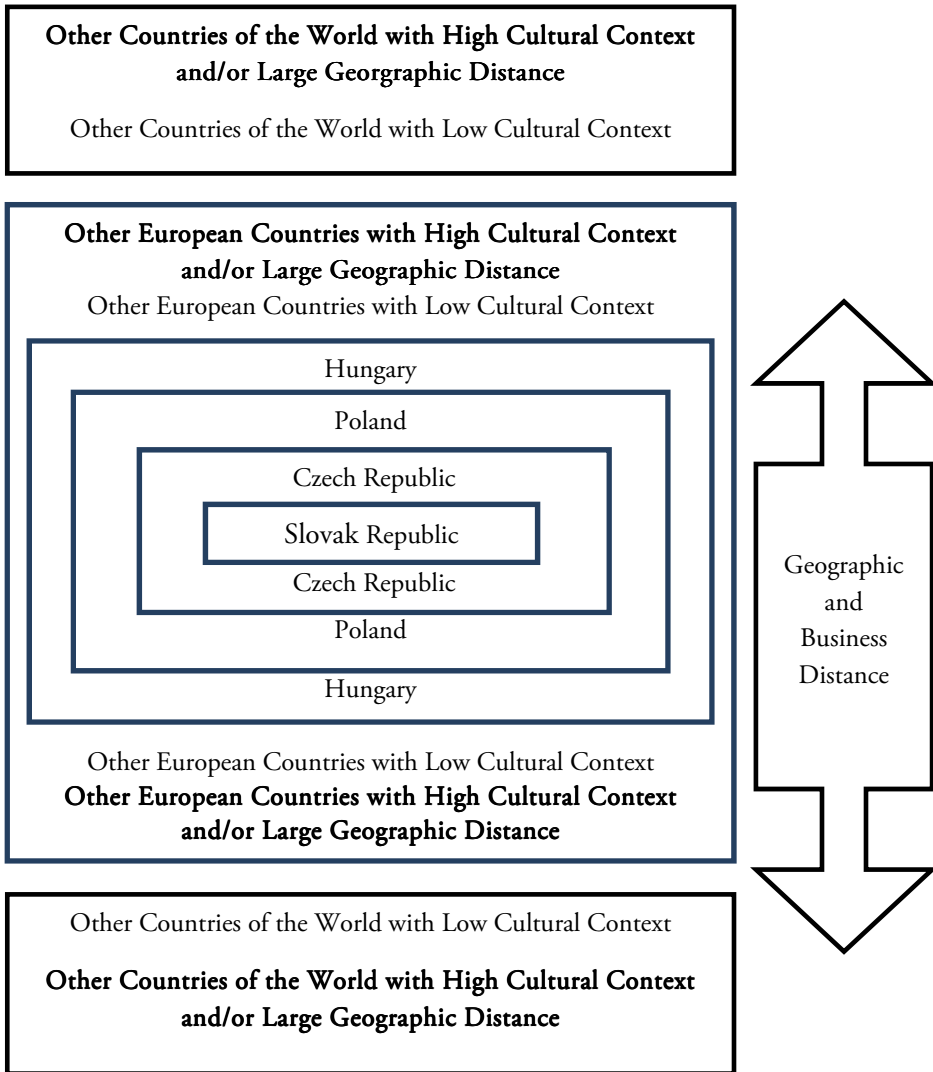


Figure 8.1. Modified Applied Matrix of Market Selection: Business versus Geographical Distance among V4 and Other Countries according to E. Horská
 Source: (Horská, 2008)

Main message of using the CAGE framework is to find some relevant criteria useful for designing marketing program for certain country and region. This is how we interpret the CAGE framework also in case of the Visegrad group of countries.

Using both the CAGE framework and Matrix of market selection approach we are able to define more similarities than differences among Visegrad countries. Administrative and political dimensions are related to more-less common history and geographic location. The Visegrad Group, also called the Visegrad Four, V4, or European Quartet is an alliance of four Central European states – Czech Republic, Hungary, Poland and Slovakia – for the purposes of cooperation and furthering their European integration, further military, economic and energy cooperation (geographic indicator, common political and economic aims).

Visegrad countries came through many changes in last two decades which very significantly influenced their political and especially economic character. The events connected with the transition from a centrally planned economy to a market economy, and the subsequent period of preparations for accession to the EU very greatly influenced the economic structure of these particular countries. Together with these changes, there were also important changes in the development of foreign trade territorial and commodity structure. These countries reoriented their production capacities such that consumer goods and services took up a dominant position, whilst at the same time they initiated very intensive business connections with the countries of the EU. The analysis of their international trade in general, and also agricultural trade in particular, during the last years on the basis of a number of mutual bilateral agreements and on the basis of their membership of the Central European Free Trade Area (in 1993–2004) documents that all countries had already developed mutual trade in the past (before their EU accession). Nowadays they develop mutual trade within the framework of all the Visegrad group of countries within the membership of the European Union. Hungary, Poland, Slovakia and the Czech Republic have a huge potential to develop mutual trade not only in the fields of agricultural and food production, but they also have a potential to develop mutual trade in all other sectors of their national economies. All the Visegrad countries are linked through very strong flows of mutual trade. During the last decade (1996 – 2006) the trade volume and value were constantly increasing. The Visegrad countries also improve mutual trade relationships with other countries. Their main trade partners are the European Union countries and some other European countries outside the European Union (Smutka & Maitah, 2011; Horská *et al.*, 2007).

All four nations in the Visegrad Group are high income countries with a very high Human Development Index. V4 countries have enjoyed more or less steady economic growth for over a century. In 2009, Slovakia adopted the euro as its official currency and all 4 member states entered to the European Union in 2003. If counted as a single nation state, the Visegrad Group is the seventh largest economy in Europe

and the 14th in the world. Based on Gross Domestic Product (Purchasing Power Parity) figures for the year 2011, the most developed country in the grouping is the Czech Republic (27,662 USD *per capita*), followed by Slovakia (24,971 USD *per capita*), Poland (21,005 USD *per capita*) and Hungary (19,998 USD *per capita*). The average GDP (Purchasing Power Parity) in 2013 for the entire group was 22,582 USD (Visegrád Group 2014) that points at very similar economic situation and lesson learnt for formulating pricing strategy aimed at those markets.

All the arguments mentioned above lead us to the conclusion that “similarities” are more evident among Visegrad countries comparing to evidence of differences. Of course, borders and differences still matter but many times they are hidden, very specific or of less importance in case of doing business in Visegrad region or considering Visegrad region as a one – more less homogenous group of countries. For example, for interviewed businesses within our international project „European Studies of Cultural Dimensions of International Business“ the neighbouring countries are considered as the most important business partners. Answers of Polish businesses are very similar to answers of Slovak businesses which naturally results from regional position of both countries. Of course, Polish companies mentioned also Germany, Ukraine and Norway in terms of the most important business partner. Czech Republic and Hungary were mentioned frequently in case of Austrian interviewed businesses. There is very interesting finding that Spanish businesses consider countries of EU-10 (Central European “new” members) as the countries with a big cultural distance, but of course, eligible for the future business. It should be explained by their geographical distance, different cultural context and political development in the past. At another side, it confirms our assumption that geographical distance affects also business distance in some points. To be familiar with intercultural communication is another crucial element of successful international business (Nagyová, 2012). Chances for successful intercultural dialogue are higher as all V4 countries belong to the same transnational cultural system named as “Slavic-Orthodox culture” based on cultural communication through which people exchange ideas, values and objects (Paluchová, 2012).

International Marketing and Management for Visegrad markets: Lessons learnt from Visegrad Research and Practice

Companies operating at foreign markets are adjusting their marketing strategies an altering their organizational structures in relations to changes in local, regional or global marketing environment and ongoing movement at the market. Their goals are to enhance their competitiveness and to ensure proper positioning in order to capitalize on opportunities in the global marketplace (Cateora & Graham, 2005). In the 1970s the argument was framed as “standardization vs. adaptation”. In the

1980s it was “globalization vs. localization,” and in the 1990s it was “global integration vs. local responsiveness.” (Kotabe, 2001). Adaptation can concern of all elements according to marketing program in firms. Of course, there is necessary to identify the adaptation stages by comparison of costs and gains with regard to both different stages and markets. For example, by consumer goods and foodstuffs, adaptation stage has been increased with growth rate of cultural awareness in target groups of foreign customers.

Standardization as the marketing concept is suitable for global market segments which are represented by customers with equal or at least similar needs and wants. Using such approach the producers can argue with economies of scale. In present people develop a sense of belongingness to a worldwide culture, by adopting practices, styles, and information that are part of the global culture. Therefore, some companies are answering “global” as the way to go. In the same time forward-looking, proactive firms have the ability and willingness to accomplish both tasks – standardization and localization – simultaneously (Horská & Maitah, 2011). Opinion of Ghemawat (2003) is that in the twenty-first century, standardization versus adaptation is simply not the right question to ask. Marketers will rightly always argue for the latter. Rather, the crucial question facing international marketers is what the most efficient ways to segment markets are.

As our fundamental assumption and research finding is that Visegrad countries show more similarities than differences we can treat Visegrad countries as one regional market. Such approach of homogenization/or standardization has been supported with arguments as common history (in some points), similar languages (except of Hungary), same religion, same climate and conditions for food production and preparation are. Economic indicators are also those one that support homogenization approach. At the other side, approach of adaptation or localization is useful too, especially in case of accepting some specific local traditions, tastes, preferences or in case of using image factor at the stage of market penetration.

Specific cultural variables may act as barriers or opportunities also in case of regional market of Visegrad countries even in the situation we assume high degree of homogenization. In particular, certain products such as food, beverages, and clothing are obviously more culture-bound than other products. The implied meanings of brand name also exemplify the role of culture in global marketing. Customers’ willingness to pay for a product varies across cultures, too. Products that are perceived as good value in one culture may have little or no value in other cultures. Cultural variables may also dictate distribution strategies. Some of the alternatives include the use of different retail formats (e.g. small groceries in Poland, listing at large international retail chains operating at certain market). Of the four marketing mix elements, promotion is the most visible one. Culture will typically have a major influence on a firm’s communication strategy (Kotabe & Helsen, 2011).

The result of our research is a finding that there are 1.87 changes done to one exported food product made in Slovakia, of which 1 mandatory change was done to each product (placing mandatory information on the packaging of a food product under the food law). The rest, 0.87, is a voluntary change, which increases with the degree of the business and cultural distance of export territories. The results of the research vary if we exclude products exported to the Czech Republic. In this case, the number expressing the voluntary adaptation will increase to 1.27. In case we exclude export to all Visegrad countries (not only the Czech Republic), the number expressing the voluntary adaptation will increase to 1.32. This confirms the theory of the conduct of businesses based on the business and geographical distance of the target territory. Highest level of adaptation was recorded in relation to exports to high cultural context countries (Kuwait, Saudi Arabia, United Arab Emirates, South Korea, Israel and Russia).

Several businesses in the survey were selling their products in the Czech market within the former Czechoslovakia. After the establishment of the independent Slovak Republic in 1993, the situation deteriorated, business connections in many cases discontinued and after a few years there were attempts to regain the lost markets. The situation was same in the case of markets of the former Soviet Union, where in recent years, several businesses re-entered the markets of Ukraine and Russia. In the case of re-entry into the Czech market, the situation was relatively simple, as this is a very close market from the geographic and business perspective. Compared with the Czech market, entering the Russian market is more difficult and complicated. In this market, plenty of powerful multinational companies have established expecting not only immediate profit, but in the first place, trying to occupy the market and create conditions for generating future profits.

Based on panel discussions and controlled interviews with the management of surveyed businesses, we found that operating in the markets of Central and Eastern Europe is "the easiest way to go or do business abroad". Managers explain that there is a similar economic, social and political development, a similar history and culture (in some cases), a similar position within the integrating Europe and less competition in these markets. Exposure to the markets of "Western Europe" is considered the most difficult particularly given the strong competition.

When collecting the views of the management of agri-food businesses the main reason for the success of established products in foreign markets is their quality. At the same time these are successful and major products that are in demand also in the domestic market. Not only have these products excellent qualitative and sensory characteristics, but their establishment in the market is closely linked to successful advertising and marketing activities supporting the companies analysed. These products are known to the general public and in most cases; they have been awarded domestic and international prices and quality certificates. We can mention here

examples of products designated with protected designation of origin, protected geographical indication or traditional, well know specialties, mainly in the category of agricultural and food products (Ubrežiová, Bujňáková, Kapsdorferová, Majorová 2009). The most popular Slovak product in this category is sheep cheese “bryndza,” but it does not mean that this product accounts the highest foreign sales. Its role is more important for promoting Slovakia, traditional gastronomy, culinary side of Slovak history and promotion of rural tourism.

Another reason is the price. The pricing policy is very important for every company. All companies involved in the survey have invested in the purchase of new technologies, not only to increase the quality and quantity of production, but also to reduce costs and thus the price of a product, which is continuously monitored. At the same time, company managements are still looking for other options for the price reduction in order to be successful in negotiations with business partners and still make a profit. It is a way how they reflect to demand of mass market segment or many times lower purchasing power of people in less developed region with any Visegrad country. For example, region of East Slovakia is less developed than Western Slovakian Region where capital city Bratislava is located, purchasing power of people in Budapest and surrounding is much higher than in the rest of Hungary, etc. Moreover, the Prague region in the Czech Republic and the Bratislava region in Slovakia are among the richest in the EU. EU figures from 2011 show that people in Prague have a GDP per capita measured in terms of purchasing power for locally-priced goods and services of 43,200 EUR and in Bratislava of 41,800 EUR. Of course, the levels are not high compared to Europe's traditional centres of wealth - inner London (85,800 EUR), Luxembourg (70,000 EUR) and Brussels (54,100 EUR). But with the former Communist and Soviet member states still often seen as the poor cousins of long-term EU members, the Czech and Slovak capitals are richer than any part of Austria, Greece, Finland, Ireland, Italy, Portugal or Spain (Prague and Bratislava, 2011).

Based on practical examples of good practice resulted from our research we can define several selected areas, lessons or findings how to design features of marketing mix using either approach of standardization/homogenization or adaptation in case of operating at V4 markets:

- Try to standardize product features as much as possible (for one regional market – Visegrad market).
- Openness to discuss the price level of the product offered (companies are very often forced to decrease the price in terms to be successful in business negotiations and there is not only question of lower income markets but in several cases customers are not willing to pay e.g. premium price for products made in Visegrad – region of origin effect works in this case against Visegrad companies).

- Be prepared to negotiate with international retail chains as their position in Visegrad countries is still growing and their sales account majority of sales in the segment of food and consumer goods.
- Based on our research there is still insufficient attention devoted to sales promotion and advertising (sales promotion and advertising organized by Visegrad companies in other Visegrad countries, different from their homeland). The main reasons are high costs of media space in popular media (electronic or print), insufficient financial resources, and a very passive approach in terms of marketing communication in generally. Possible solution accounts the use of social media and web presentation. Another alternative is to use practically the concept of corporate social responsibility that connects social, economic, ethical and ecological aspects of business operations and also exposes the issues involved in creating the right work relationships (Trela, Krasnodebski, Kornalska & Gálová, 2013).
- There are many small and medium enterprises doing nothing in terms of more intensive internationalization or pro-active approach in case of market penetration.
- Low or insufficient country of origin effect (except of Hungarian food products), even in some case negative approach to some Visegrad products (some cases of unsafe Polish food products during 2012 – 2013).

Because we consider countries and markets of the Visegrad region as very similar, it is not necessary to think about radical product adaptation. Theory on four degrees of adaptation (combining product and communication policy) offers several considerations (Rehman, 2008):

- Non-customization as a fully leverage global branding and marketing. It is the simplest way how to manage marketing strategies abroad. Global firms use the marketing and branding approaches they use everywhere and apply those to local market. This approach can be applied also in case of regional Visegrad market where Visegrad companies should offer “regionally standardized products.”
- Adapting the message as a customization of marketing messages and language. This second option should be accounted as the most common route for both markets. This option involves using the local language and some customized themes or taglines for the region (using official language, national symbols).
- Adapting the portfolio as a customized mix of products and services based on local needs.
- Custom product design and create market specific products and services. This is the most expensive way of adopting marketing strategy to the local needs, but can at times yield the greatest reward (this strategy goes together with the strategy of diversification as a part of the Ansoff Matrix of Growth).

- Here are some practical examples of good practice, following from our research:
- Change of brand name or change of logo for some rational reasons. In one case the Slovak producer of breakfast cereals has been willing to use private brands in Poland, Czech Republic and Hungary because of their good image and national market penetration. In another case, new brand was created, tailored made for Polish customers according to their aesthetic feelings and traditions.
 - Different brand names for different markets (case of successful drink “KUBUŚ-KUBIK-TEDDY” made in Poland).
 - Change of brand name, no change in logo (we can name this approach as a middle of the road strategy) where brand accounts some sort of local feature and logo accounts global/regional feature (case of nationally successful Hungarian brand that adopted global logo).
 - Modification of package, which was related to:
 - Modification of graphical design of package.
 - Obligatory adaptation– change of label information, different language mutations depending on target markets (Hungarian and Croatian version, Polish and Ukrainian version, Russian and English version, Slovak and Czech version).
 - Technological modifications which allow longer durability of food product (for Czech and Austrian business partner).
 - Change of qualitative parameters and introduction of new or innovative products (different flavour for different Visegrad markets, product modification: different assortment for Czech, Polish and Slovak market).
 - Combination of relatively standardized product with slightly adapted marketing communication (using local actors, local humours, local language/slang or official one).
 - Introduction of seasonal products that fits tradition of whole region (e.g. chocolate products for Christmas or Easter season).
 - Regional “Ingredient” branding based on quality, image or any other strength of one ingredient that will attract customers (e.g. chocolate with “Krówka” feeling as Krówka is well known in whole Visegrad region as traditional and very tasty Polish candy).

The respondents identified these products with a prospect to be established in foreign markets:

- Regional specialties (milk and meat products), sweets, organic products.
- Products of microbreweries, small wine production facilities and products from oilseeds.

- The responses often included rational nutrition products, cereal products, and products for diabetics, gluten-free diet and soft drinks.

The quality was also stated as one of the reasons of the success of these promising products, but more often than in the case of existing successful products there were differentiation factors such as a healthy diet, originality and innovation, tradition, respect for demand and competitiveness in a form of differentiation. The current megatrends in the European food market create conditions for the formation of rational, functional and comfortable food.

As examples of innovation towards creating a functional product, we can mention some muesli and cereal products enriched with vitamins, minerals, Echinacea and the move into the segment of nutritional supplements, innovative products for the gluten-free diet, dairy and meat products with added probiotic cultures or a functional segment of mineral water. Another possibility of innovation lies in the orientation on market segments representing children, youth, specific lifestyle and the interest in obtaining the entertainment when consuming the product. The innovation in this case is represented in adding an imaginary or real value, which does not have to be related to the nature of the food product. This includes adding toys, stickers, interesting and attractive packaging or a combination of a major and minor product. Such products are mainly imported in the Visegrad region as in the Visegrad region there is no strong “regionally recognized” character and in some cases they cause “mass and one-way consumption in the given segment”. Famous sport men should fulfil this position and be used in marketing communication as one of alternative (hockey team, cyclist, tennis players, football teams, winners from different championships and Olympic Games). Another alternative is to create brand new character or spoke man (e.g. case of KUBUŠ) with no history and relation to any Visegrad country, so children everywhere can adopt him as a new symbol. In many cases, the added value is greater than the value of the product itself, but it is the added value that creates the shopping impulses. Sustainable aspects of food products, good breeding practice, hygiene, safety food, healthy effect and sensory product features are becoming more and more important (Haščík, Kačániová, Vavrišinová, 2014). Question of quality and tradition are those ones that could increase value perceived from side of business or final customer.

Country of origin image is another aspect that can be used as a promotion tool; of course in the situation we can use positive effect of country of origin image or producer of origin image. At the food market the winners are Hungarian companies and some famous producers of wine, meat products, spirits in all Visegrad countries. Another situation is at the fashion industry where many companies operate under globally sounded brands (e.g. Polish brands Reserved, House, Promo stars) and they are able to compete with international brands (Wach, 2011).

Visegrad Countries and Emerging Markets: Opportunities, Threats and Bringing Values to Customers

Results of the standard IVF project “Agricultural Market and Trade: Evidence and Perspective of V4 Region and its neighbour – Ukraine” identified various approaches to value creation in marketing vertical depending on external environment (level of development of market environment). Different development of target markets means different customer requirements for quality, logistics, necessity of marketing activities and services. According to panel discussion and interviews with management staff we found out that acting in markets of Central and Eastern Europe is for those companies “... the easiest way of acting abroad.” Operating at Western Europe (old EU-15) they consider as a very difficult and complicated because of strong competitive environment. The easiest way to enter to the EU-15 markets is for them using piggy-backing and private brands. Respondents were asked to name the most perspective target markets. In their answers, we can find countries like Russia, Ukraine, Czech Republic, Serbia, Montenegro, China and Romania (Bielik, Horská, 2007). List of perspective target markets confirms the interest of Visegrad countries to expand not only regionally, and besides the process of Europeanization (within EU and European borders) they want to search for opportunities of wider internationalization (Wach, 2012).

Due to geographical distance between Visegrad countries and neighbouring country – Ukraine we can consider Ukrainian market as a perspective one from side of Visegrad countries, regardless political crisis nowadays. The Visegrad countries were interested in Ukraine's successful European integration, especially in signing the Association Agreement with the EU in Vilnius in 2013. But based on political development in 2014, hopefully, businesses will be able to re-consider opportunities and threats of doing business in Ukraine (pro-EU orientation vs membership in Eurasian custom unions). Also Russia and other countries of the Commonwealth of Independent States can be considered as perspective markets due to common history and political development and in the same time offer great room for development. Cultural aspects are also very similar, many times we can rely on better understanding of Slavic culture, language, traditions. Considering political risk, Russia and Ukraine are too big to ignore and especially economic growth of Russia will certainly be higher than US or EU growth (Peng, 2014).

8.4. CONCLUSION

This study provides a little insight into the internationalization processes of the Visegrad countries based on long-term research on the topic of firm internationalization and designing international marketing programs and strategies. Our research results point at fact that firms involved in international businesses

cannot omit or neglect market research to identify not only generally well known market features, but also some hidden factors of local consumer behaviour that explain purchasing behaviour of local customers. In spite of fact the Visegrad region is based on our research characterized as the region with prevalence of similarities, modern marketing approach together with market recession require ongoing monitoring of market situation and flexible reactions.

Internationalization is a very risky venture and also rewarding adventure in the same time. For successful internationalization (within the Visegrad region, EU, Europe or worldwide) seems to be important to ask at least the following questions:

- Does the company know the environment (economic, social, cultural, networks) of target market and understand the consumer behaviour of local consumers?
- How good is the company at identifying and satisfying local consumer needs?
- What kind of entry mode will the company use and how strong is the support of local business partner or staff?
- Is foreign market prepared for the new/innovative product and which kind of adaptation will be required to meet the local preferences?
- How to use the synergic effect of our skills and experiences in case of operating in a group of similar markets?
- What is the difference between consumer behaviour in the past and nowadays? How to compete at certain foreign market? How to use marketing techniques and skills to attract attention of local customers?
- How to use country of origin effect in penetrating to foreign market?
- What kind of strengths of Visegrad firms should be used in market expansion out of Visegrad region?

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