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UDC / UDK: 304.4:339.94

JEL classification / JEL klasifikacija: F1, Z1

DOI: <https://doi.org/10.22598/pi-be/2019.13.1.57>

Preliminary communication / Prethodno priopćenje

Received / Primitljeno: March 25, 2019 / 25. ožujka 2019.

Accepted for publishing / Prihvaćeno za tisak: May 13, 2019 / 13. svibnja 2019.

### *Summary*

*Trading companies that expand their operations beyond the national borders need to know the determinants or factors affecting the success of the internationalization strategy. Theoretical and practical research of the past twenty years has seen these factors as a set of economic, political, social, and cultural factors, which, ultimately, determine the choice of the specific market to operate on in the next period. In addition, research results in this field consider internationalization factors on two grounds, in terms of the national market, as “push”, and in terms of the new, foreign market, as “pull” factors. The aim of this paper is to examine socio-cultural factors of trade internationalization. These factors will be analysed in terms of their impact on trade internationalization, as well as the impact of internationalization on them. The basic hypothesis to be tested is that socio-cultural factors affect various activities of international trade chains. In order to test the hypothesis, empirical research on socio-cultural factors of trade internationalization on the Serbian market will be conducted.*

**Key words:** trade, retail, internationalization, socio-cultural factors.

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## 1. INTRODUCTION

Although, at first glance, trade internationalization is a natural and inevitable part of the environment in which retail chains operate, that is a huge step and an activity that must be carefully planned. The process of moving from national to foreign market is a long-term one and all its benefits mostly do not come immediately. As Palmer and Quinn state, financial investors first had a negative perception of trade internationalization and viewed this activity as fundamentally problematic and unprofitable (Palmer and Quinn, 2001). Due to this fact, financial institutions were skeptical about the benefits of trade internationalization, and, instead of viewing it as a huge expansion opportunity, associated it with possible risks. This view of trade internationalization is only valid from financial institutions' standpoint. Nevertheless, retail chains see internationalization as a major challenge. When it expands its business activities outside the national market, the retail chain declares itself international, which at the same time requires enormous effort, time, and resources. Tracing new business lines brings both the challenge and the risk, including financially. This raises the logical question: why does retail go international? The answer is simple: because of profit, or because of the fact that retail chains operate for profit, as they cannot survive without it. In addition, markets that retail chains see as source of profit are attractive for them. Given that the profit is a *conditio sine qua non* of retail chains' operations, the motives or factors behind trade internationalization may vary, and ultimately affect the success of trade internationalization. They are important to understand the stage through which the retail chain goes through, but also to consider the general conditions under which the retail sector operates. It often happens that the initial steps on new markets reflect national situation and foreign market opportunities. That is, saturation on the home market and conditions prevailing on foreign markets open space to retail chains for gradual business expansion and entry into international activities. This is certainly connected with a number of factors, which are the subject of the analysis in this paper. Bearing in mind abundant research on internationalization and its factors, as well as current operations of international trade chains, the research subject in this paper are the factors of trade internationalization, with a special focus on socio-cultural factors. The aim is to test the following hypotheses H1: Socio-cultural characteristics of consumers affect buying in international trade chains; H2: The impact of particular socio-cultural factors on the purchase in international trade chains is different. For this purpose, empirical research will be conducted, based on the Serbian market example. methods of descriptive statistics and regression analysis will be used. The conducted research and the obtained results have certain theoretical and practical contribution in analyzing the socio-cultural factors of trade internationalization, with a special focus on the Serbian market. Also, conducted research can be a good indicator to international trade chains when entering the Serbian market.

## 2. WHY DO TRADE CHAINS GO INTERNATIONAL?

Expanding operations beyond national borders raises a number of issues for a retail chain. For example: Which markets to analyze and take into consideration for entry? Do foreign markets give companies long-term sources of growth? Which markets to enter first? The way in which these issues are analyzed largely determines the development of international activities (Alexander and Doherty, 2010).

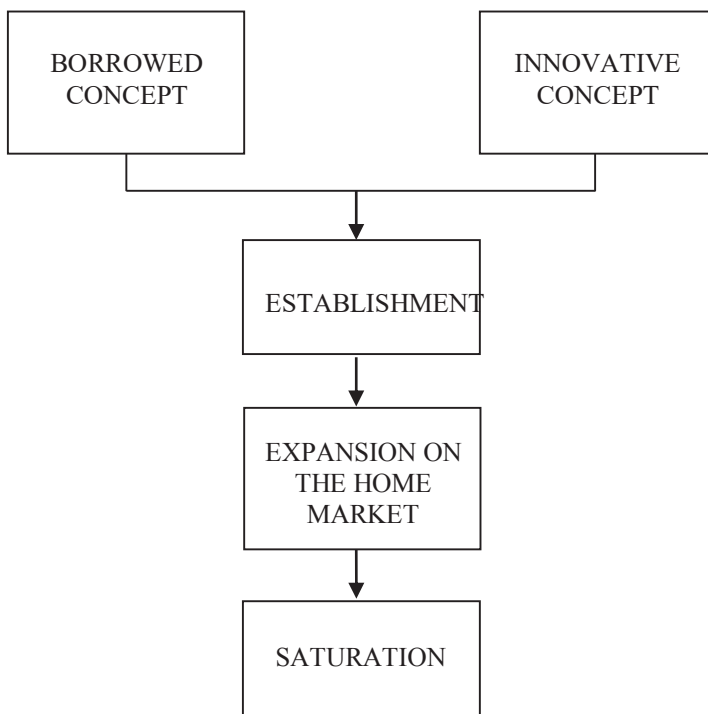
The international activity of retail chains in its initial phase can be perceived only as one kind of available alternative. The famous Ansoff matrix (product market) supports this, as it points to four basic alternatives offered to retail chains (Čuzović and Ivanović, 2017):

- Business on the existing market with the existing range structure,
- Expanding business to new products on the market where retail chain already operates,
- Expanding business to new markets (foreign) with the existing range structure,
- Expanding business into new markets with expanded range structure.

These four alternatives can be more closely elaborated. Thus, Alexander and Doherty (2009) state that it is possible to identify twenty strategic alternatives based on the product-market matrix. They are specifically determined by the market and market needs, on the one hand, and by the supply of products and services, on the other. Having in mind the market and market needs, one retail chain has the following alternatives:

- Continuous supply of the existing market and meeting existing needs,
- Meeting different needs on the existing market,
- Supplying different markets where customer needs are met in the same way as on the existing market,
- Meeting different needs on different markets.

The above strategic alternatives can help find an answer to the question of why retail chains choose to internationalize their business activities. Certainly, deeper elaboration of the open research area requires a broader analysis. For this purpose, there is a useful concept developed by Alexander (1997), a theorist, who talks about the stages of business activities on the home market, as seen in Figure 1.

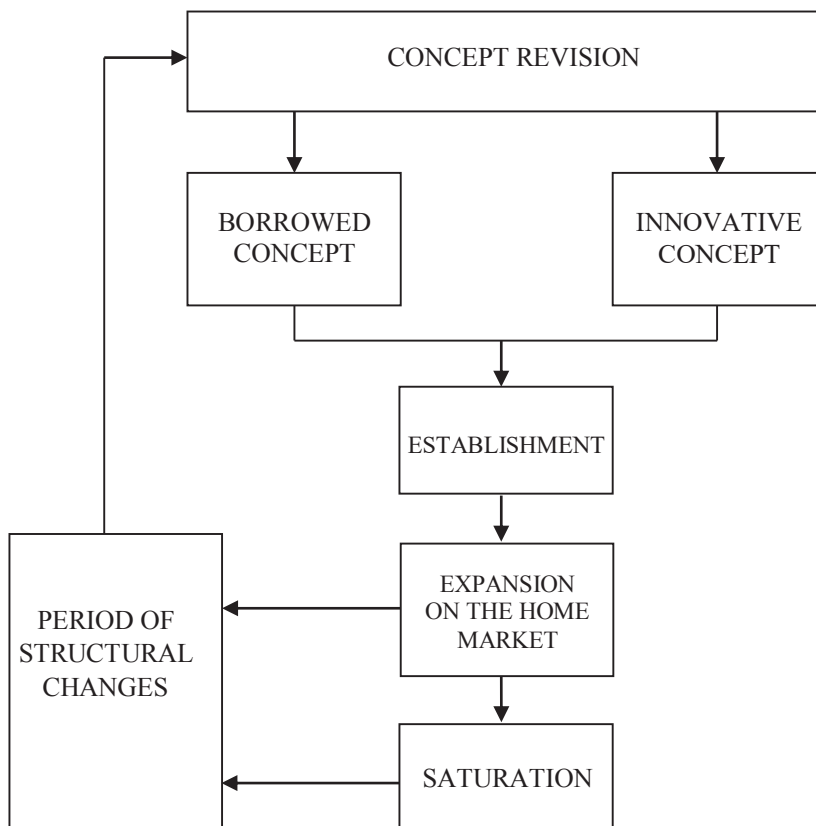
**Figure 1.** Development of business activities on the home market

*Source: Alexander, 1997, p. 40.*

As the figure shows, in the business development process, a retail chain can first rely on the borrowed or innovative concept. The borrowed (copied) concept implies that it already exists, either on another market, or is used by another retail chain. Also, three stages of business development are noted:

1. Establishment, a stage in which a retail chain (company) experiments with its business concept in order to meet market needs
2. Home expansion, a stage in which the company geographically expands its business on the home market and where the existing business concept comes into conflict with other retail chains,
3. Saturation, a stage in which the company comes to a point where its future development is limited by a number of factors, given the high market share and the high intensity of competition.

These stages indicate that retail chains' business on the home market is not a linear process and requires continuous revision. Figure 2 confirms this, as it indicates the revision of the business concept on the home market.

**Figure 2.** Revision (re-evaluation) of the business concept on the home market

Source: Alexander, 1997, p. 42.

So, when a retail chain faces a saturation stage, there are two options available:

1. Diversification through new products, where for many companies this is only a temporary stage in which they seek to find additional sources of profit on the home market,
2. Internationalization, when the company finally decides to expand its business beyond the borders of the home market.

A number of studies show that internationalization is a reaction to limited opportunities on the home market, which is one of the reasons why the understanding of the movement from one market to another is related to the so-called pull and push factors.

Different motives of business internationalization are spurred by the dangers that exist on the home market (push factors), or the opportunities that exist on foreign markets (pull factors). Different sources identify great number of push factors in trading business,

which are compared with the corresponding pull factors. The most important push and pull factors, in political, economic, social, and cultural terms, are given in Table 1.

**Table 1.** Push and pull factors

	<b>Push factors</b>	<b>Pull factors</b>
<b>Political impact</b>	<ul style="list-style-type: none"> <li>• Unstable political environment</li> <li>• Restrictive legislation</li> <li>• Anti-business culture</li> <li>• Restriction on consumer loans</li> </ul>	<ul style="list-style-type: none"> <li>• Stable political environment</li> <li>• Liberal legislation</li> <li>• Business-oriented culture</li> <li>• Rise in consumer loans</li> </ul>
<b>Economic impact</b>	<ul style="list-style-type: none"> <li>• Poor economic conditions</li> <li>• Low growth potential</li> <li>• High operating costs</li> <li>• Mature market</li> <li>• Small home market</li> </ul>	<ul style="list-style-type: none"> <li>• Good economic conditions</li> <li>• High growth potential</li> <li>• Low operating costs</li> <li>• Developing market</li> <li>• Possibility of investing in property</li> <li>• Large market</li> <li>• Favorable exchange rate</li> <li>• Low stock prices</li> </ul>
<b>Social impact</b>	<ul style="list-style-type: none"> <li>• Negative social environment</li> <li>• Unfavorable demographic trends</li> <li>• Stagnation and decline of population</li> </ul>	<ul style="list-style-type: none"> <li>• Positive social environment</li> <li>• Positive demographic trends</li> <li>• Population growth</li> </ul>
<b>Cultural impact</b>	<ul style="list-style-type: none"> <li>• Unknown cultural milieu</li> <li>• Heterogeneous cultural environment (small and hostile segments)</li> </ul>	<ul style="list-style-type: none"> <li>• Known reference points in the cultural milieu</li> <li>• Attractive composition of cultural values</li> <li>• Innovative business culture</li> <li>• Fostering corporate culture</li> <li>• Homogenous cultural environment</li> </ul>
<b>Competitive structure</b>	<ul style="list-style-type: none"> <li>• Hostile competitive environment</li> <li>• High level of concentration</li> <li>• Market saturation</li> <li>• Unfavorable operating conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Market niches</li> <li>• Capacity in possession</li> <li>• Expansion capability through copying</li> <li>• Favorable operating conditions</li> </ul>

According to: Treadgold, 1990; Alexander, 1990; Hutchnson et al., 2007; Čuzović and Sokolov Mladenović, 2012b, Feldmann, 2016.

### **3. FACTORS OF TRADE INTERNATIONALIZATION WITH A SPECIAL FOCUS ON SOCIO-CULTURAL FACTORS**

It should be noted in particular that previously observed motives and factors of trade internationalization are not uniform and common for all companies. Also, companies are always encouraged by a great number of motives, regardless of whether they act as pull factors from a foreign market or push factors from the home market. In any case, companies are always guided by their own interests, and business internationalization is always based on the desire to increase profits or revenues.

#### **3.1. Political factors**

The political factors of the process of trade internationalization result from the political environment, both at home and internationally. They are a product of the economic, social, and cultural environment, but are also under the great influence of the mentioned environment. At the same time, political factors determine other factors that a retail company must analyze when it comes to a particular foreign market.

Political factors of trade internationalization can be considered at three levels (Alexander and Doherty, 2009): 1. Interstate cooperation, when one country enters different political or economic trade unions; 2. State, relating to trade regulation within the state borders; 3. Local, which relates to local regulation of trade, within one state.

If political factors are viewed at interstate level, it is necessary to look at numerous international political associations, whose goals vary over time, which directly or indirectly affect the operations of international trading companies. Thus, for example, North America has a North American Free Trade Zone and Organization of Pacific Economic Cooperation. In Europe, the European Union and the European Free Trade Area (EFTA), as well as the Organization for Economic Co-operation and Development (OECD), take the most prominent place.

If political factors are observed at the state level, it is necessary first to look at the state's political organization, i.e. the differences between federal and unitary states. In this context, a first-time retail company needs to consider the following factors: political stability, ongoing or possible political disorders, the existence of democracy, ruling political parties' support to economic policy, opposition parties' (dis)agreement with government's economic principles, and the like. The analysis of these factors is important because of their possible impact on international trading companies, especially those who enter the new market with the strategy of building their own facilities. Under such conditions, there is a high risk of the influence of political factors on property rights or public animosity toward the company.

If the political factors of trade internationalization are observed at the local level, it is necessary to look at the effect of the local government's independent politics, especially in federal states. This may relate to the right to impose income or turnover tax, or postpone certain decisions made by a national government. Local political factors can in many situations stimulate international trading companies to start operations. Thus, practice has examples of free land allocation, tax exemption for a certain period of time,

accelerated procedures of obtaining building and other permits, which, in general, has positive effects and attracts foreign trade companies in the local area.

Examining all these factors is an important aspect in determining the direction of trade internationalization. By entering the foreign market, retail companies must be aware of different political factors, and, in this regard, the markets of countries with positive political structures and systems will have the right of priority.

### **3.2. Economic factors**

Economic factors are an important determinant of the process of trade internationalization. Their effect occurs when choosing a country in which the international trading company will operate (Ćuzović and Sokolov Mladenović, 2012a). Thus, they give advantage to developed economies, but also to undeveloped ones, with unused opportunities for international trading companies to generate profit. Considering that one country is part of a wider, global economic environment, the analysis of economic factors usually occurs at two levels (Alexander and Doherty, 2010):

1. International level, in terms of perceiving international trading environment, as well as various economic institutions and trade arrangements;
2. National level, in terms of perceiving various trade and non-trade barriers that are seen as constraints in one country, but also all other economic factors that determine the trading company's market entry.

Business trends of international trading companies must be viewed in the context of the international trading environment, given that the trade of one country is its integral part. In addition, trade is affected by the economic conditions of other economic sectors, legal regulations, as well as various international cultural factors. In this context, one should be familiar with the opportunities prevailing on the international market, especially foreign trade between countries. The practice shows that foreign trade largely determines the direction of retail companies.

In addition to economic factors from the international environment, economic factors on markets which the company chooses are also an important determinant of trade internationalization. Economic factors from the national environment take different forms. First of all, there are numerous taxes and quotas, as well as non-tariff barriers. Taxes and quotas are imposed to protect the national economy, but also as a source of state revenue. Quotas must be especially accounted for in terms of planning the quantity of products that can be obtained from domestic sources, but also the quantity that can be imported. In addition, numerous non-tariff barriers can be a determinant of international retailers' operations, especially when it comes to subsidies for local companies, anti-dumping regulations, international exchange controls, product standardization, etc. Given the above, companies choosing the market will give the right of priority to markets with less restrictive tariff and non-tariff barriers.

The group of economic factors at the national level should also include factors relating to market size, market growth assessment, urbanization and economic results. Thus, large markets with significant economic development opportunities are more attractive, as well as those where forecasts point to growth potential in the future. When it comes to urbanization, it is in a number of cases a significant factor of economic development, but also an indicator of the direction of trade companies' international



expansion. Economic indicators, such as gross domestic product, also affect market attractiveness, so those with a higher economic growth level and rate will be preferred. In this context, the inflation rate is also significant, so companies will be interested in those markets with a balanced inflation rate.

Generally speaking, economic factors, both at international and national levels, determine trade internationalization in terms of direction, as well as the retention time on a given market.

### **3.3. Socio-cultural factors of trade internationalization**

Social factors, as motives underlying trade internationalization, represent a synthesis of the influence of economic and cultural factors on one society. Although the socio-cultural environment is the sum of all these variables, they require separate observation. In fact, economic factors play an important role in determining the social environment, but this does not mean that countries at the same or similar level of economic development have the same level of social development. Each country is a separate entity in terms of the effect of social factors, and, for this reason, international trade companies have to watch them because they determine their future business policy.

Social factors essentially determine market consumption. According to sociologists, people as consumers are stimulated and motivated by groups to which they belong or strive for individual needs and desires. This is especially so because the majority (about 70%) of the world population today live in the so-called collective cultures that are under the strong influence of social groups, in contrast to the smaller part of the world population living in the so-called individual cultures (Maričić, 2009).

In order to explain the need for a specific trading company product, social factors need to be understood. The influence of social factors on consumer behavior evolved and changed alongside social and economic development and increasing living standards. This suggests that, in the course of human society development, consumer behavior has been under the dominant influence of different social factors, primarily because man is a social being and cannot be viewed separately from the society in which he lives.

Bearing in mind the above, trade companies operating on different foreign markets must bear in mind the high degree of interdependence between themselves and social factors (Eckman et al., 2015). If companies forget about the influence of social factors or possible social problems, it will have a negative effect on their operations. One example is the entry of foreign trade companies onto the British market at the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> century, when consumer cooperatives developed. This business format appeared in order to protect consumers from bad and perishable goods, but also to protect the then working class from dishonest traders. In view of these events, many foreign trade chains entered the British market by accepting consumer cooperatives. Another example of the emergence of social problems in a society is the abuse of labor by trade chains. In order to prevent this, many countries developed legal regulations in order to prescribe working hours in sales facilities, but also to protect the workforce.

It can be noted that trade depends on social factors, but also affects them. It seeks to know the needs of consumers on one market and to balance these needs and their own capacities. In developed economies, where foreign trade companies operate,

hypermarkets and supermarkets strive to meet all consumer groups, which leads to longer working time or work at weekends. What is more, trading companies adapt their product range to consumer requirements in a particular area, and new business formats are introduced, such as “do-it-yourself”, super-stores, discount stores, etc. In this case, trade responds to social factors. At the same time, it can, as already pointed out, influence social factors. For example, sales facilities on the periphery of the city affect the increased mobility of consumers. Consumers respond to these changes and significantly change their purchase patterns, focusing more on weekly and monthly purchases.

Therefore, when entering an international market, trading companies should look at all the indicators that show the social picture of the consumer environment. This primarily relates to social factors that determine the consumer behavior and their shopping tendency in one society, such as material welfare, household characteristics, lifestyle, free-time activities, ethical principles, belonging to relevant and reference groups, and the like. Knowing these factors will make it easier for the company to select a market and create a “package” for that market.

Among other factors, cultural factors that exist in one country are also important for trade internationalization (Pioch and Gerhard, 2014). In this regard, it is impossible to understand the trading system of a country without understanding its culture, since it determines what people buy and the purpose of using certain products. In that sense, it is necessary to make a distinction between countries in terms of their culture. So, there is a difference between the so-called multicultural countries such as India, China, the United States, Canada, etc., where there are several cultures (Sternquist, 2011). Different cultures have a different effect on consumption patterns in one country, which is very important from the perspective of business development in international trading companies.

The influence of cultural factors on trade internationalization reflects on all its aspects and activities. Since an international trading company seeks to meet the needs and demands of consumers, it cannot ignore the cultural factors that affect their behavior. Consumer market decisions are greatly influenced by consumer lifestyle, and this depends directly on the culture of the society to which the consumer belongs.

The relationship between culture and trade internationalization is two-way and interactive (Sokolov Mladenović et al., 2017). Trade internationalization is under an important influence of all culture segments in a society, such as: 1) material elements, which depend on economic and technological conditions in one country, 2) social institutions, in terms of belonging to different reference groups that create consumption patterns in one country 3) a belief system that is different from country to country; 4) aesthetics, which greatly influences what people buy; and 5) the language that influences the creation of advertising messages by companies. These cultural dimensions greatly affect consumption structure and system in individual countries, consumer behavior, the process of thinking and the value system, the communication process, which in turn affects the business policy of an international trading company. Just like culture and its dimensions have an impact on trade internationalization, trade internationalization can also have a great effect on culture. Specifically, under the influence of many foreign trade companies, consumers from less developed countries over time have changed the conditions, quality, and lifestyle by purchasing better and modern products in the trading

companies' assortment. An illustrative example is the effect of trade internationalization on change in consumers shopping habits in former socialist countries. Over time, they reoriented to weekly and monthly purchases, instead of daily shopping.

However, for trade internationalization, it is much more important to see in which strategic decision-making areas the cultural impact comes to light. Theory and practice in the field of trade internationalization claim that cultural impact comes to light in the following areas: when choosing a market, when selecting a strategy for entering the foreign market, and when designing marketing mix instruments (Rakita, 2004).

When choosing a market, cultural factors can in many cases be a limitation. Thus, trading companies selling electrical equipment cannot be connected to those markets where less than 1% of households have electricity. Likewise, trading companies that sell fashion clothing cannot count on Arab markets, given their unwritten dress code.

When choosing a market entry strategy, culture has a great impact because it largely defines business conditions in each country. Various entry strategies, which will be specifically discussed, bring transfer of culture from one country to another, and it is very important to see how individual countries and their cultures accept that. Cultural factors on the target market are especially evident in the strategy of direct investment abroad and the opening of companies' own sales facilities.

When designing marketing mix instruments, cultural impact is reflected in all marketing activities. With products, the impact of culture is apparent in the degree of product range adjustment to various international standards and requirements of the local market. Promotional and distribution activities are greatly influenced by available material and technical infrastructure assumptions in individual countries, such as the availability of media, fairs and exhibitions, transport systems, warehouses, etc. The price policy must also considerably consider material assumptions, standards, and living conditions in a particular country.

Based on the above, as a significant tool in the evaluation of cultural factors on a market, the so-called Hofstede's model of cultural dimensions can be used. Geert Hofstede is a researcher from the Netherlands, who developed one of the most widely used theories of cultural differences. He developed a paradigm based on the study of the cultural impact on the behavior of individuals. What makes his work unique is that he developed the model after testing the values and beliefs of 116,000 employees in IBM in 40 countries around the world. Later, he expanded his research to ten other countries. His model includes four dimensions of culture: individualism, uncertainty avoidance, power distance, and masculinity vs. femininity (Hofstede, 1992). Later, Hofstede (2011) added dimensions: long/short term orientation and indulgence/restraint. This classification has its application in international management, and also in the field of trade internationalization.

## 4. RESEARCH METHODOLOGY

### 4.1. Research sample and hypotheses

In order to assess socio-cultural factors, empirical research is conducted using survey method that involves 300 respondents on the territory of Southeast Serbia. The survey is conducted at the point of sale of FMCG products, i.e. in retail chains, between April and June 2018. The aim is to get to a representative sample of respondents, bearing in mind that, in recent years, the purchase of the mentioned product category is also made online. The research is conducted in order to test the following hypotheses:

H1: Socio-cultural characteristics of consumers affect buying in international trade chains.

H2: The impact of particular socio-cultural factors on the purchase in international trade chains is different.

Data processing is done using Microsoft Office Excel and SPSS 22.

The questionnaire is divided into two parts: general and specific questions. In the first part, the questions are related to gender, age, marital status, level of education, sector in which the respondent is employed, and average monthly income. The respondents are employed persons. The answer to these questions is important for assessing the socio-demographic characteristics of consumers affecting the selection and purchase of products in international trade chains. The second part of the questionnaire refers to specific questions that include the views and opinions of respondents about buying in international trade chains. Table 2 shows the characteristics of the survey sample:

**Table 2.** Structure and characteristics of the research sample

	%
<b>Gender</b>	
Male	41
Female	59
<b>Age</b>	
18-24	25
25-34	15
35-44	17
45-54	31
55-64	9
>65	3
<b>Marital status</b>	
Single	41
Married	45
Divorced	9
Widowed	5
<b>Level of education</b>	
University	34

College	19
Secondary	39
Primary	8
Sector in which respondent is employed	
Public	49
Private	51
Income	
Up to 300 EUR	52
300-500 EUR	28
501-1000 EUR	16
More than 1000 EUR	4

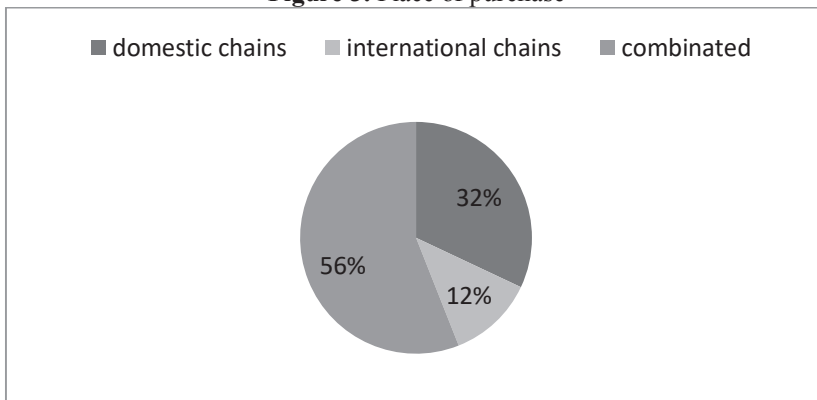
Source: Research by authors

Based on the data presented in Table 2, it can be noticed that, from the point of view of the gender structure, the female population (59%) has a higher share in the sample. From the aspect of age structure, respondents aged 45 to 54 years (31%) have the highest share in the sample. In terms of marital status, 45% of respondents are married, while from the aspect of education level, those with completed secondary school (39%) are dominant. A large number of respondents are employed in the private sector (51%) and those with a salary of up to 300 EUR (52%) are dominant.

**4.2. Research results and discussion**

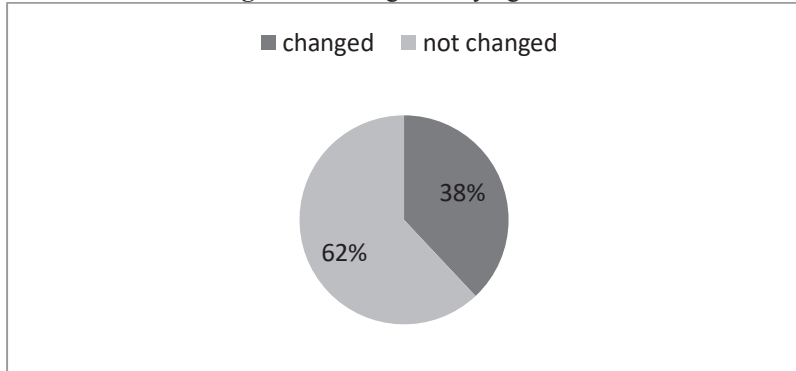
Researching the views of respondents on international trade chains gave the results presented in Figure 3, 4, and 5.

**Figure 3. Place of purchase**



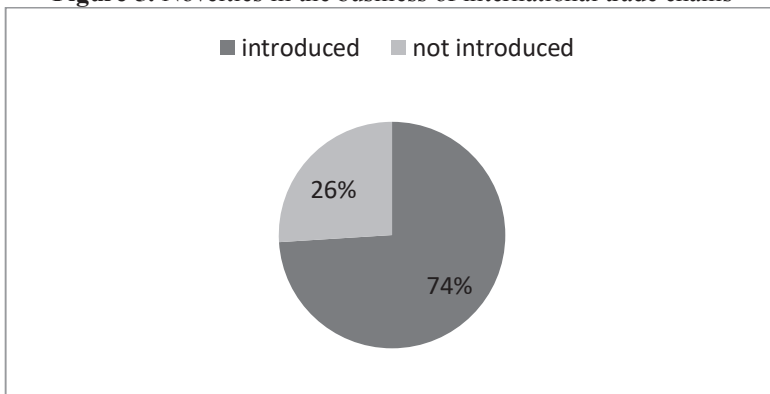
Source: Calculation by authors

Figure 3 shows that most respondents (56%) make combined purchase (both in domestic and international trade chains), 32% buy in domestic, while only 12% buy in international trade chains.

**Figure 4.** Change in buying habits

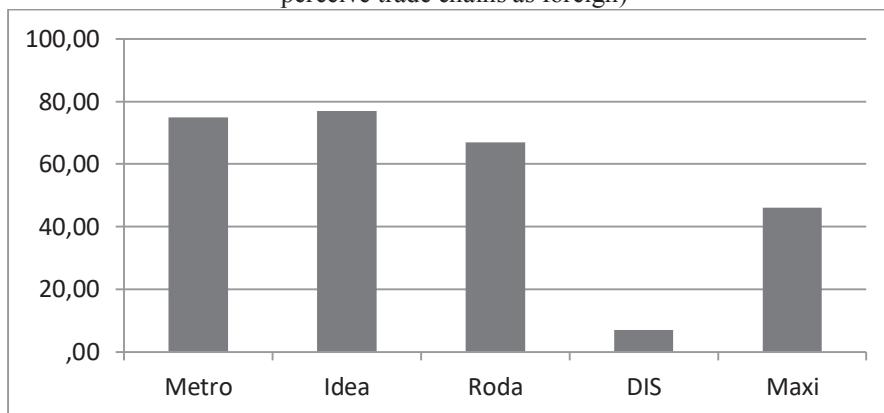
*Source: Calculation by authors*

Figure 4 shows that 38% of respondents changed their buying habits with the arrival of international trade chains, while most (62%) did not change this habit.

**Figure 5.** Novelties in the business of international trade chains

*Source: Calculation by authors*

Figure 5 shows that 74% of respondents consider that international trade chains introduce novelties into business, while 26% consider the opposite. Figure 6 shows how respondents perceive existing trade chains (both domestic or foreign).

**Figure 6.** Perceptions of respondents about existing trade chains (% of respondents who perceive trade chains as foreign)

*Source: Calculation by authors*

The figure 6 shows that Idea and Metro (by 77% and 75% of respondents) are rated as foreign trade chains, Roda by 68%, Maxi 45%, and DIS (as a domestic trade chain) was by a certain number of respondents (7 %) rated as a foreign trade chain.

Descriptive statistics gives results that describe the satisfaction of the respondents with the quality of products, services, and prices (from the lowest grade of 1 to the highest grade of 5, using the Likert scale in the survey questionnaire). These results are shown in Table 3.

**Table 3.** Descriptive statistics for certain dimensions of operations of international trade chains

		Satisfaction with product quality	Satisfaction with service quality	Satisfaction with prices
N	Valid	300	300	100
	Missing	0	0	200
Mean		3.67	3.69	3.06
Median		4	4	3
Mode		4	4	3
Std. Deviation		0.777	0.87	1.003
Minimum		1	1	1
Maximum		5	5	5

*Source: Calculation by authors*

Based on the results of arithmetic mean and standard deviation, one can notice that the quality of services has the highest values ( $M = 3.69$ ), with the lowest standard deviation ( $SD = 0.87$ ), which means that there is the highest degree of agreement among respondents. The lowest value is obtained with price ( $M = 3.06$ ), with the highest value of standard deviation ( $SD = 1.003$ ), which means that there is the highest degree of disagreement among respondents. In other words, the results show that respondents in the random sample are most satisfied with the quality of services.

As it was mentioned, the aim of paper is to explore how social-cultural factors influence on success of trade internationalization. In this context, some measure of trade internationalization should be dependent variable. Gender, age, marital status, level of education and income are defined as independent variables, and change in buying habits is defined as dependent variable.

By applying regression analysis (dependent variable is a change in buying habits), the results presented in Tables 4 have been obtained.

**Table 4.** Regression analysis (dependent variable is a change in buying habits)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.829	.146		12.544	.000
<b>Gender</b>	<b>-.116</b>	<b>.055</b>	<b>-.118</b>	<b>-2.106</b>	<b>.036</b>
Age	.030	.027	.090	1.139	.256
Marital status	-.053	.045	-.088	-1.174	.242
<b>Level of education</b>	<b>.095</b>	<b>.034</b>	<b>.195</b>	<b>2.819</b>	<b>.005</b>
<b>Income</b>	<b>-.132</b>	<b>.037</b>	<b>-.237</b>	<b>-3.596</b>	<b>.000</b>

*Source: Calculation by authors*

The regression model shows the influence of different variables on changes in shopping habits, with the same statistical significance of all independent variables ( $\text{Sig.} < 0.05$ ). Since gender, level of education, and income are independent variables that have statistical significance ( $\text{Sig.} < 0.036$ ,  $\text{Sig.} < 0.05$  and  $\text{Sig.} < 0.000$ ) in this regression model, it can be concluded that they have an impact on the changing buying habits as dependent variable. Other variables do not have a statistically significant impact on changing shopping habits. In this way, the first and second hypotheses established in the research have been proven, i.e. socio-cultural characteristics of consumers affect buying in international trade chains, and the impact of particular socio-cultural factors on the purchase in international trade chains is different.

The conducted research and the obtained results have certain theoretical and practical contribution in analyzing the socio-cultural factors of trade internationalization,



with a special focus on the Serbian market. Also, conducted research can be a good indicator to international trade chains when entering the Serbian market. However, this research has some limitations. First, the size of the sample, and therefore the number of observations, is relatively small. Second, the research concerned only the region of Southeast Serbia. Third, the obtained research results and confirmation of the hypotheses refer only to the observed research sample. Fourth, only employed consumers are surveyed. The limitations defined can be the subject of further research.

## 5. CONCLUSION

Trade internationalization can be viewed as a research area, on the one hand, and a profit-generating strategy, on the other. This indicates that the study of this process is permanently tested in practice. The experiences of trade companies (do not) confirm the hypotheses set by various scholars. In addition, studying this process raises a number of issues and dilemmas. One of them concerns factors determining the success of trade internationalization. In seeking answers to this question, one may first examine the reasons why trading companies decide to expand their business beyond the national market. These reasons, according to a large number of scholars, are linked to the conditions or constraints existing on the home market, on the one hand, and the opportunities that exist on the new market, on the other. Hence the widely accepted classification of internationalization factors into “push” and “pull” factors, a set of political, economic, social, and cultural factors, which have been the subject of detailed research in this paper. In addition to these factors, the paper has analyzed and expanded the group of trade internationalization factors, since a great number of scholars view them in terms of their importance for deciding on further business expansion. The theoretical part of the paper presents various aspects covering these factors. The practical part of the paper presents the research results, using the survey methodology that included 300 respondents on the territory of Southeast Serbia. The analysis shows that a small number of respondents changed shopping habits after the arrival of international trade chains, that novelties are introduced into business, and that consumers in the vast majority of cases perceive the existing international trading chains as foreign. By applying the regression analysis, it is concluded that the changes in shopping habits are under the biggest impact of gender, marital status, and income. Other variables tested do not show statistical significance. In this way, the hypotheses set in the research are confirmed. In addition, this research can serve international trade chains when assessing socio-cultural factors on the Serbian market. At the same time, this research has some limitations, which can be the subject of further research.

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## UTJECAJ SOCIOKULTURNIH ČIMBENIKA NA USPJEŠNOST INTERNACIONALIZACIJE TRGOVINE

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### *Sažetak*

*Za trgovačka društva koja šire svoje poslovanje izvan granica nacionalnog tržišta, vrlo je važno da poznaju odrednice ili čimbenike koji će ovisiti o uspjehu strategije internacionalizacije. U proteklih dvadeset godina teorijska i praktična istraživanja uočila su te čimbenike kao kompleks ekonomskih, političkih, socioloških i kulturnih čimbenika, od kojih u konačnici ovisi izbor specifičnog tržišta na kojem će djelovati u sljedećem razdoblju. Osim toga, rezultati istraživanja u ovom području razmatraju faktore internacionalizacije iz dva ugla, tj. iz ugla nacionalnog tržišta, kao potisne čimbenike (eng. push factors), te iz ugla novog, stranog tržišta, kao privlačne čimbenike (eng. pull factors). Cilj ovog rada je ispitati sociokulturne čimbenike internacionalizacije trgovine. Ti će se čimbenici analizirati u smislu njihovog utjecaja na internacionalizaciju trgovine, kao i utjecaja internacionalizacije na njih. Osnovna hipoteza koju treba testirati je da sociokulturni čimbenici utječu na različite aktivnosti međunarodnih trgovinskih lanaca. Kako bi se testirala hipoteza, provest će se empirijska istraživanja o sociokulturnim čimbenicima internacionalizacije trgovine na srpskom tržištu.*

**Ključne riječi:** trgovina, maloprodaja, internacionalizacija, sociokulturni čimbenici.

**JEL klasifikacija:** F1, Z1

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