



Munich Personal RePEc Archive

## **Strategiile de patrundere pe pietele externe si importanta managementului bazat pe cunostinte in conditiile actualei crize economice globale**

Parpandel, Denisa Elena, Stanciulescu, Cecilia Gabriela and  
Rizea, Ionela Carmen

“Constantin Brancoveanu” University, Pitesti, Romania,  
„Academy of Economic Studies”, Bucharest, Romania

09. November 2009

Online at <http://mpra.ub.uni-muenchen.de/18492/>  
MPRA Paper No. 18492, posted 09. November 2009 / 11:12

# **Strategies for penetrating foreign markets and the importance of knowledge management in the conditions of current global economic crisis**

*Parpandel Denisa Elena, Faculty of Management Marketing in Economic Business, Rm. Valcea, "Constantin Brancoveanu" University, Pitesti, Romania*  
*Stanciulescu Cecilia Gabriela, Faculty of Commerce, Department Tourism-Services „Academy of Economic Studies”, Bucharest, Romania*  
*Rizea Ionela Carmen, Faculty of Management Marketing in Economic Business, Rm. Valcea, "Constantin Brancoveanu" University, Pitesti, Romania*

## **Abstract**

*Current social and economic environment is in continuous change and transformation and adaptation to existing conditions are favourable, a painful adjustment to reflect loss of comparative advantage, particularly important for some communities.*

*Global disruption which affected the whole economy in mid 2007 and then accelerated in 2008 and whose tentacles have spread and for 2009, would not have been possible without the rare coincidence of a series of setbacks and triggers on the market, some reflecting major imbalances in the global economy, others specific to the operation of sophisticated financial markets.*

*The importance of foreign markets is even greater since most companies are engaged in a process of growth that requires them to find new business opportunities in other countries, as domestic markets mature.*

*This paper highlights the priority role that knowledge management plays in foreign markets penetration problem in context of the internationalization of enterprises, in order to obtain the desired results.*

**JEL classification: D8, M1, M31**

**Keywords: economic crisis, markets, strategy, knowledge**

## **1. Introduction**

The year 2009 will be extremely troubled at world level, according to a survey published by World Economic Forum (WEF) in April 2009, that launches a warning on a series of states promoting some short term investment policies, due to panic, disregarding their consequences.

The analysis shows an eloquent picture: volatile markets, lack of cash, unemployment growth, all these against the lowest levels ever registered by indicators regarding the trust of consumers and enterprises. This situation could cause a series of state to promote long term dangerous investment policies.

“It is dangerous (...) not to rectify the problems from the bottom and to spread the seeds of some new problems whose impact will not be immediate but will be terribly felt later”, warns the survey.

## **2. Presentation**

Current social and economic environment is in continuous change and transformation and adaptation to existing conditions are favourable, a painful adjustment to reflect loss of comparative advantage, particularly important for some communities.

Global disruption which affected the whole economy in mid 2007 and then accelerated in 2008 and whose tentacles have spread and for 2009, would not have been possible without the rare coincidence of a series of setbacks and triggers on the market, some reflecting major imbalances in the global economy, others specific to the operation of sophisticated financial markets.

Although the business world through troubled times and that over 51 million jobs could be lost by the end of this year globally, small businesses can save the economy.

In a business climate that is becoming increasingly competitive, following the development of competitive phenomena between actors operating in the market, there is a prospective vision and goal that it proposes to achieve this operator is for the ago, a condition sine qua non of business success. And anticipates the new millennium bring to the attention of all involved in international economic affairs new challenges and trends that require sustainable solutions to achieve the proposed targets.

When the market is sufficiently large and abundant in favourable opportunities, leadership companies pay little attention to foreign trade and likely because the domestic market offers greater safety. Managers do not need to learn other languages, to work with unknown currency whose value changes constantly, to deal with policy changes or unforeseen legal or adjust products according to the needs and expectations of various customers.

The optics that have endorsed her leadership many Western companies, which have not considered quite as important to sell in foreign markets since the domestic markets seemed to offer great development potential.

The contemporary world of business is in a constant process of change, and companies that want to remain on the market and not lose anonymity can not afford to ignore foreign markets. Increasing dependence on world states of goods and services produced by each of them has considerably increased the interest of firms to extend internationally.

The importance of foreign markets is even greater since most companies are engaged in a process of growth that requires them to find new business opportunities in other countries, as domestic markets mature. With the liberalization of international trade, firms face in their home countries with an increasingly strong foreign competition. They must be to create those capabilities which enable them to cope with attacks launched by domestic competitors or to capitalize on business opportunities arising in foreign markets.

But companies already operating in the global industries have no option than the internationalization of their operations.

One of the most significant developments in business practice in recent years has been rapid growth of international activity: exports, strategic alliances, foreign direct investment, contractual arrangements have been significantly expanded. [1]

The activity of any organization choosing marketing strategy marks an important moment; they complete the round in which they defined the mission and purposes, on the basis of careful and relevant to his situation. [2]

Need to address all issues in a marketing vision was summed up very suggestively by Serraf Guy "rich companies are not marketing because they have money, but have money for marketing that are.

The problem entering foreign markets should be placed in the context of the internationalization of enterprise. Each enterprise that aims to be present on the international market to put in place a strategy to enable it achieves the desired benefits.

Such a strategy is a complex process that begins with analyzing information about foreign markets and the potential for the company, continues to determine international targets, followed by the establishment of alternatives to internationalization. These alternatives include, in fact, how to enter the international market to be analyzed in terms of advantages and disadvantages in order to choose the best entry.

Thus, in this context is the need to obtain and use relevant information in carrying on specific operator, using the most advanced technical facilities.

Information becomes so boundless valences, as it leads to the widening global functionality of the company, to create competitive advantage and maximize profits, by assessing the level to meet the needs of a segment of consumers may provide solutions to improve the strategies for increasing the number of consumers , high adaptation to their needs, higher than other competitors and aims at the information leading to solutions to choose better strategies than competitors' strategies (product, price, distribution or promotion).

For a trader who had work in a competitive market, directing, producing, processing and use information is a key element of the marketing mix.

Thus, management of a company must have an efficient information system, which can carry out all decision making for competition and competition have greatly increased speed of response that we can say that firms, guided by the slogan: 'money is moving at the speed of light and information to circulate quickly. [3]

Information systems used by companies are increasingly robotic. Accordingly, the information from the trader give (manager, first) can identify and to best serve market requirements.

It can be said that the need for information and in particular the marketing is more acute than ever, following current trends of the times and not in the future. It is noted that a marketing move from local, national and even one to one

global market expansion as a consequence of the same size. In parallel, diversifying customer needs, desires increase, and as customers increase revenues, they are becoming more cautious, more demanding in choosing and buying property.

Here is further proof of the recognition of major importance in obtaining information on market supremacy, as a result of "war" with competitors.

Thus, market penetration strategy is to set a low price, lower than the competition, to boost demand and market conquest. One of the situations that favour the use of such a strategy is the launch of a new product to market = information that can help deliver competitive advantage: they found materials that can be used in achieving the new product, which is in a volume large, readily available and the purchase price is lower than the material known by the time of production = increased ability to make a new product superior to the competition, and could thus set a price lower than similar products.

Choosing the optimal strategy for penetrating foreign markets depends on a number of factors that influence the intensity and different ways. Some favour the selection of the suitable strategy, others such as size and company policy, government policies and markets feature's option subject may move to other strategies of penetration than those intended. [4]

To optimize the strategy and how The international market penetration, the company needs to find and retain the best combination of the following: possibility for the strategy or how to control the penetration of the most efficient mix of marketing its chosen market; entry cost which depends on the chosen strategy or how to penetrate; strategic flexibility and the ability to quickly and easily increase business activity in the market, minimizing also the financial loss; political risk inherent in taking birth with a firm decision to intervene in the structure of production and international marketing.

## **6. Conclusion**

The final decision will be taken by the management company so that penetration variant chosen to match as many important criteria for business and enable long-term market presence in order to achieve company objectives.

**"The penetration of international markets is one of the supreme tests of competitive ability, because the company must demonstrate its expertise in new areas."**

**Bibliography:**

Bradley F. (2001), International Marketing, Teora Publishing House, Bucharest.

Lando N. (2004), Identifying successful marketing strategies by export regional destination, Journal: International Marketing Review, Publisher: Emerald Group Publishing Limited.

Ciucan L. (2005), Marketing - fundamental elements, strategies, tactics, Publisher: University "Petru Maior", Tirgu-Mures, Romania.

<http://www.echeat.com/essay.php?t=28915/Entering Foreign Markets>.