
INTERNATIONAL ENTREPRENEURSHIP AS A WAY TO PENETRATION OF MACEDONIAN PRODUCTS ON THE GLOBAL MARKET

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Abstract

The global markets in which we will initially have to try to penetrate Macedonian products and services are those that, according to the needs of consumers and market conditions, most closely resemble the domestic market. It is also necessary to assess whether applying the same business model of international entrepreneurship would be successful in those markets. We need to gather information about the models that are "winning" in the markets we are thinking about internationally. We need to put the emphasis and check how much our business practices interact with the local ones, and how many interventions we will have to undertake in our own company to successfully fit into the international environment. For the market economy in which international entrepreneurship enters, the concept of free economy is used, which underlines that people are free to become international entrepreneurs and to have and run a business (enterprise). Thus, individuals as international entrepreneurs are free to invest money in their own business, or the business of some other people, and to penetrate products in international markets.

Keywords: global market, products, services, penetration and international entrepreneurship.

Introduction

International entrepreneurship and its importance through international entrepreneurial activities attract great interest in modern European and global international economies. International entrepreneurship is a driving force for innovation of products and services of small, medium and large enterprises, by reviving the culture in enterprises, developing learning to innovate and strengthening the achievements of penetration of Macedonian products in global markets. International entrepreneurship is crucial for the involvement of the business world and the wider social community in all entrepreneurial activities and processes, while establishing the necessary links between the international education systems, businesses and the local community.

The subject of the research is to assess our potential for penetration of Macedonian products in global markets through Macedonian international entrepreneurial companies, by checking whether there is a demand in foreign markets for penetration of products from the Macedonian market to the global market or similar products. If our product does not belong to the category of the most modern, in terms of its technical-technological characteristics, we should concentrate on markets where the needs for higher technologies or greater sophistication of products are not yet sufficiently developed.

1. Global Market Penetration

In order to make a good penetration of the Macedonian products, we need to analyze the assessment of the export penetration ability, and we analyze the originality of our products and the constituent significant characteristics. There is always an export penetrating rule which reads: Through the analysis of the products of the competition in the foreign and international markets we will bring conclusions, recommendations and references for our originality of the products and the performed services.

One of the goals of the penetration of Macedonian products on the international markets will be met, if our products and services are difficult to copy and if the chances of entering penetrating export success through international entrepreneurship are better. If we penetrate original products, or products that are complicated to copy, we will encounter limited entrepreneurial competition in international markets which is good, and the demand for penetrated products and services can be relatively high.

Each international entrepreneurial system and economic system answers four basic questions, also called fundamental questions of economics:¹

- What products and services will be produced and where will they penetrate the international markets?
- In what quantity are the products and services produced for the international markets?
- How are the products and services produced for the international markets?
- For who are the products and services produced?

We have an international entrepreneurial economy when suppliers produce products or services that they want to produce and set a price based on how much customers are willing to pay for those products or services. The Republic of North

¹ Andrew, J.P, Manget, J., Michael, D.C., Taylor,A., & Zablit, H., Innovation: A return to Prominence and the Emergence of a New World Order.Boston, MA: Boston Consulting Group, 2010

Macedonia is a country where the market economy is used but with less emphasis on international entrepreneurship and product penetration in foreign markets. To a large extent, our companies are satisfied with the concept of domestic production, to survive. Best regards to the people, businessmen and entrepreneurs in the Republic of North Macedonia who apply the principles of the international market economy or international free economy, which emphasizes that people, businessmen are free to become entrepreneurs, to own and run a business, to develop and create products and services for global markets. Macedonian individuals who are entrepreneurial oriented are free to invest money in their own business, or the business of some other people for the account and development of international entrepreneurship in their own country - the Republic of North Macedonia.

In the absence, ignorance and weak motivation of international, global, international and national approach to international entrepreneurship as a way of penetration of Macedonian products on the global market, this study and research should be a guide for internationally oriented enterprises and economic institutions to understand everyday motives, goals, needs of individuals, groups, associations of internationally oriented entrepreneurs - bearers of entrepreneurial activities in their enterprises.¹

Through studies and research on international entrepreneurship as a way of penetration of Macedonian products in global markets, their motives, perceptions, views, views, attitudes, perceptions in the process of establishing stronger expressed interest by Macedonian entrepreneurs for development and penetration will be recognized of Macedonian products on the global markets.

2. International Entrepreneurship

International entrepreneurship is a driving force for economic growth through the creation of new jobs, new ideas, new products/services and more. Hence, it is necessary to raise awareness of its development, understanding and support for the growth and development of companies to penetrate products in global markets. Women and men entrepreneurs are a large and important part of any society. They are becoming more active in the economy and job creation, but there are a number of barriers that prevent greater involvement, especially of women in business and international entrepreneurship.

From the analysis of the identified measures and programs for support of entrepreneurship and especially of international entrepreneurship on the one hand and the analysis of the current state of entrepreneurship in the Republic of North

² Barry and G. Jacobs: "Business succession planning: a review of the evidence" *Journal of Small Business and Enterprise Development*, No. 13, 2011

Macedonia, the development and growth is about 23-%¹. But the fact is that many current women entrepreneurs with an international background, potential or women who have the desire but not the courage to start a business do not have enough information about the same measures and programs for the development of international entrepreneurship, or are not familiar with them at all, so that many measures remain unused. Materials, publications, guidelines, strategies for development and penetration of Macedonian products in the global markets should be used. They need to be sorted and stored in one place. It is also necessary to find appropriate channels for their distribution and promotion in the Macedonian economy, and thus would penetrate Macedonian products in global markets. Macedonian entrepreneurs can contribute much more to the economy in the country and internationally given the ability to recognize opportunities, the skill to generate innovative ideas, the caution they carry with them, and the approach they have to work in global markets.

Entrepreneurs are a great potential for any economy because they create and invest value in the business, bring family values with them into the business, create new business models and new jobs, that is, help shape and grow the economy locally, nationally and globally.

There is a great lack in the Macedonian economic literature for understanding, interpreting, accepting the motives, goals, strategies and views of entrepreneurs in small, medium and large enterprises that operate and operate in international entrepreneurship, which in turn reflects their desire to fight placement of Macedonian products on the global markets.

The study and research should raise awareness of the role, and the concept of application of international entrepreneurship as a way of penetration of Macedonian products in global markets

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Through studies and research on international entrepreneurship as a way of penetration of Macedonian products in global markets, their motives, perceptions,

³ Audretsch, David B., Falck Oliver, Heblich Stephan, Lederer Adam, Handbook of Research on Innovation and Entrepreneurship, DIW Berlin Germany, 2015

⁴ Broom, H.N., Justium G. Longenecker: "Small business management", 5 firth ed., South-Western Publishing Co., Cincinnati, 2002

views, views, attitudes, perceptions in the process of establishing stronger expressed interest by Macedonian entrepreneurs for development and penetration will be recognized of Macedonian products on the global markets.

3. Analysis of the condition of "Vitaminka"

"Vitaminka" is one of the most successful Macedonian companies in the food and confectionery industry, which in its 63 years of existence has managed to build many brands known abroad. Today, "Vitaminka" products are exported to over 30 foreign markets. "Vitaminka" is one of the largest and most successful export companies in Macedonia. If you had to point out a few factors that are key to "Vitaminka's" successful export strategy, what would they be?

"Vitaminka", probably like other successful companies, draws its export power from the capacity of its products. The key to a successful market presence is to have the right products and to know their strengths and weaknesses in terms of their global competitiveness. The next success factor probably knows the opportunities in foreign markets to choose the right performance strategy select the right sales channels and provide the most effective marketing support.¹

Normally, product quality, standardization, reliability, timely deliveries, etc. in the face of global competition, they must function flawlessly.

"Vitaminka" is a highly internationalized company, which means that it has its permanent sales activities in over 30 countries around the world, which, despite the global trends, have their own specifics in terms of retail structure, consumer habits and the like.

In that context, "Vitaminka" tries to adapt its performance in a foreign market to local specifics in order to be as close as possible to consumers.

Finally, as one of the most important factors for success in foreign markets is the establishment of direct cooperation with global retail systems that have a lion's share of total retail, cooperation with them is quite complex and requires top skills and training, but cooperation with them the company can also provide it with larger market shares and a rapid and long-term breakthrough in overseas markets.²

The past 2019, viewed from the perspective of exports, "Vitaminka" ended with an increase in sales in foreign markets compared to the previous year by 5% to 7%. The expectations for 2020 are similar.

⁵ Klefsjo, B. Bjame, B., & Rickard, G. Quality management and business excellence, *Research*, 3(1),59-76., (2020)

⁶ Hong, Q., & Prybutok, V. R. Determinants of customer-perceived service quality in fast-food restaurant sand their relationship to customer satisfaction and behavioral intentions. *Quality Management Journal*, 15(2), 35-50, (2020).

Due to the fact that “Vitaminka” penetrates many products in many countries, with different cultural and food habits and different structure of the retail industry (concentration, formats, etc.), our bestsellers vary from market to market, but generally their top export brands are: StobiFlips, Chokostobiflips, Atlantis, Cevitana, Frutti Jaffa.

“Vitaminka” has continuous exports to over 30 countries around the world, normally with different volume and dynamics of deliveries. The countries of Southeast Europe are our largest market. All countries in this region are well covered, there is practically no sales channel where they are not present, including Bulgaria, which is one of our largest export markets, as well as Greece, where we have opened excellent sales operations.¹

Furthermore, excellent results and great growth in financial terms, but also in the quality of performance and sales channels, in 2019, were achieved in: Germany, Sweden and the countries in Central Europe (Hungary, Slovakia and the Czech Republic).² In these markets we see great potential for growth, which is very important for us, because these are highly sophisticated markets where the quality of products, but also the overall operation of the manufacturer has a decisive impact.

Otherwise, they have stable exports to almost all EU and US countries and new opportunities are opening up for us in the Middle East, Turkey and Russia.

The food industry in the Republic of Northern Macedonia in general, as well as the confectionery industry, as its integral part is a really progressive and vital business sector of the Macedonian economy. Both in terms of sales and exports, as well as in terms of investment and continuous development.

This industry is highly internationalized and sells a huge part of its production on foreign markets. A significant part of the companies operating in this industry have built extremely strong brands on a regional and even global level. Most of the companies in this branch are with domestic capital, which means that the profits are reinvested in the domestic economy and the companies are strongly interested in supporting and developing the community where they come from and where they work.

One of the basic assumptions is for the state to facilitate the operation of companies in this industry by creating a favorable environment (infrastructure, support, de-bureaucratization, free trade agreements, etc.) that will enable us to have such a favorable starting position in and the maximally complex global mile anyway.

⁷ Hong, Q., & Prybutok, V. R. Determinants of customer-perceived service quality in fast-food restaurant and their relationship to customer satisfaction and behavioral intentions. *Quality Management Journal*, 15(2), 35-50, (2020)

⁸ Hueiju Yu, H., & Fang, W. Relative Impacts from Product Quality, Service Quality, and Experience Quality on Customer Perceived Value and Intention to Shop for the Coffee Shop Market. *Total Quality Management and Business Excellence*, 20(11), 1273-1285, (2021).

The state creates the environment and normally can't conduct the business policy of the companies. In order to successfully internationalize and improve their international performance, companies need to first change their mindset. to think globally, then to profile as a company, to know what are their advantages and what are the handicaps in the global market.

Each company, depending on its size and structure, has different challenges in the global market, but in summary, the following activities enable increased competitiveness and overall international performance: innovating and looking for new or improving the characteristics of existing products, standardization of operations that maintains trust with foreign partners, company profiling, e.g. whether it will build a strategy to brand its products or will it have a concept of economies of scale and opt for private labels; further specialization, for example, whether he will have a wide range of product portfolio or will become an expert for a certain narrow category of products and so on.

In short, companies must have a clear picture of their competitive advantage in the global marketplace and where they intend to position themselves.

"Vitaminka" manages both channels in parallel: the original brands, which are dominant and normally the most important for us, but also the private brands, which participate in the total sales much less, but which we also work with great dedication.

For successful coexistence of original brands and private brands in the same manufacturer, it is necessary to manage these two categories very carefully and in a balanced way, to know the categories, markets and buyers almost to perfection, to avoid the "cannibalism" of the products and to eliminates the situation of ruining their own brands and devaluation of the price level.

"Vitaminka" has many well-known FMCG (Fast Moving Consumes Goods) brands on a regional level, such as StobiFlips, Atlantis, Cevitana, Dafinka, Vitanez, etc.), which means that hard, permanent goes successfully working on branding their items. ¹On the other hand, in parallel there are current direct corporate agreements for private brands with the largest retail systems (Lidl, Metro, Kaufland, Spar, etc.) which develop the story of private labels (private labels) and which provide an excellent platform for entry and development and the original brands in those same systems.

Very often in large retail systems abroad one can find a situation where practically entire categories (brand and private label) are controlled by "Vitaminka".

First of all, to have a suitable product. The product should have defined the so-called USP (unique selling proposition), ie to know what is its advantage: price, quality, uniqueness, marketing support, etc., and why a large retail chain would procure that

⁹ www.vitaminka.com.mk

product from us and not from our competition. Now is the time for global procurement and the so-called "Supply tyranny", large trading systems to maintain their efficiency usually have a global supply chain, ie procure from the part of the world that allows them to be most efficient on their shelves.¹

This means that manufacturing companies need to look at their competitiveness from a global perspective, or have something in their product that can hardly be rejected (price, quality, design, promotion, etc.).

Furthermore, it is very important to know the general situation of retail in the country where you operate, and especially the format and anatomy of the retail chain, whether it is a supermarket, hypermarket, hard or soft discount, what are the terms of negotiations, average margins, pricing policy, policy of private brands, activities it seeks and expects (tastings, promotions, etc.), hidden pitfalls in contracts, etc.

Negotiations and cooperation with retail giants is quite difficult and complex, requires large commitments and expertise, but opens many horizons: large sales volumes, entry into new markets, requires adaptation of the company in terms of better organization, control, innovation, improvement, etc.

Cooperation with these systems is not only purely commercial, ie sales direction, but also has learning as a reversible and positive effect.

Their experiences show that the appearance at the fair events is extremely important for the appearance of the companies on the foreign markets. It is a place of great concentration of buyers and sellers in one place, their direct physical contact, and can hardly be replaced by some forms of contacts that are the result of new communication technologies.

In recent years, there is a process of concentration at fairs, several fairs in the world are relevant for the food industry (ANUGA, ISM, SIAL; PLMA, Golfood...) and every entity that means little in this industry tries to exhibit at one of them or at least visit them.

Of course, participating in these fairs is not cheap at all, but it offers many opportunities, because it is a place where practically all professionals from this industry come.

As an alternative to the fairs, in recent years several agencies have appeared that organize highly efficient B2B events, where in a limited period (usually 1 day) they meet "tete-a tete" decision makers from manufacturers and buyers.

¹⁰ T. D. Hall, and E. L. Taylor: Human Resource Management, 7th Edition, Prentice Hall, London, 2008

On the global market, Macedonian food companies compete with companies originating from highly developed countries, and adequately, these foreign companies receive all kinds of institutional support, which puts our companies in an unequal starting position. That is why it is very important for the state to recognize the needs of this industry, in order to at least slightly facilitate the competition of Macedonian companies on the global market.

What the state should certainly do is urgently improve the country's road infrastructure for normal transport circulation.¹ Simplification of administrative procedures and their maximum availability to companies (agencies, inspections, etc.), substantial support for the performance of companies abroad (subsidizing fair events, B2B meetings, promotional campaigns, etc.), diversification and support of adaptation sense of size of companies: large food companies, SMEs and start-ups, protection of domestic companies from unfair competition, support of innovative processes, facilitation of financing, standardization, new free trade agreements, etc.

Conclusion

The penetration of products and services brings many benefits. The most important of these are: increased sales, competitiveness in multiple markets, higher profits and reduced risk of being present in only one market. Penetration through international entrepreneurship helps us build global competitiveness as well as a greater reputation in the domestic market.

The penetration of products from the Republic of Northern Macedonia is a driver of increasing the production capacity on the domestic market. About 80% of our exports as penetration is made in 10 countries, including the EU and Serbia and Kosovo. The Republic of Northern Macedonia mostly exports to Germany with more than 40% of the total export. Most of the products exported from Macedonia are: LON textile products, bulk wine, automotive parts, steel, electrical metal products, tobacco and others. To start with a good penetration of global markets it is necessary to make strategic decisions regarding:

- Changes in planning;
- Changes in the organization and management of resources in the company itself;
- Improving the production process;
- Investing in products that will make you competitive in the foreign market;
- Increasing production capacities;
- Market research;

¹¹ Broom, H.N., Justium G. Longenecker: "Small business management", 5 firth ed., South-Western Publishing Co., Cincinnati, 2002

- Increasing the number of employees;
- Ensuring that you have the financial resources to support export activities;
- Provision of export license and foreign currency account;
- Operational website and
- Excellent knowledge of foreign languages.

Successful internationally-funded companies always have innovation-oriented management, think globally and believe in market forces and competition. We will be considered a successful exporter if we have previously been successful in the domestic market and have a product that can't be easily copied by another company, which gives it uniqueness and greater importance and reliable sales. One of the main drivers for successful entry into the foreign market is promotion, which is achieved through participation in fairs, exhibitions and conferences, which are a great opportunity to meet potential customers and consumers. More than 2,500 fairs are held each year around the world, so your opportunities for this type of presentation are almost limitless. The World Trade Organization, of which our country is a member, was established in order to ensure the highest possible degree of trade freedom, to create conditions for the removal of trade barriers between countries.

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