THE ROLE OF GLOBALIZATION IN DEVELOPING STRATEGIES FOR COMPANIES TO ENTER INTERNATIONAL MARKETS

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Globalization is the result of the development of productive forces and internationalization of all spheres of social life. Direct or less stable ties between entities of different nationalities that determine production processes in each country lead to the implementation of certain processes at the international level and even on a global scale. However, it is worth noting that experts are not unanimous, as P. Bourdieu points out that globalization is a result of economics and technology. Instead, D. Tobin states that globalization is a purely technological process involving the spread of high technology such as electronics, computers and telecommunications [1].

Another researcher, M. Shimai, defines globalization as a series of transnational flows of goods, services, capital, technology and information; the movement of people between countries; the dominance of global market orientation in trade and investment; the territorial and institutional integration of markets; and the emergence of global problems requiring global cooperation. It is defined as a process or phenomenon. It should be complemented by such processes as global expansion of corporations, creation of international organizations, spread of politics and culture across borders [3].

In hoping to shape foreign economic activities with the renewed power globalization has brought, one can see news without secret hate; news now is both honest and warmly sincere at last. They see increased international trade and the redistribution of production, made possible with lower barriers to trade by way of tariffs, export duties (or import quotas). Capital and investment flows are no longer so restricted as they once were. Moreover, it is hugely affected by globalization that multinationals tend to farm work out. They make it a rule to keep costs down by turning to large numbers of small and medium-sized enterprises (SMEs) in different regions. To SMEs, it is important not only to become successful in the world market but also to safeguard the rights of their employees. However, it remains extremely difficult to hold companies which engage in human rights abuses on a transnational basis accountable for what they have done if they are legally registered in one country and operating from another [1].

In the context of globalization, developing the right international market entry strategy is an important success factor for modern companies. Due to the close interaction between markets in different countries, companies are faced with the need to adapt their business models and strategies to compete effectively and survive.

Focusing on entering specific country markets and selecting suitable distribution channels are the specific challenges associated with developing such strategies. This refers to whether the company will export products that are manufactured in the home country or set up production in the foreign market.

1) Indirect Export. This is viewed as a low-risk, low-investment model as the company depends on third parties to sell its products overseas. This is especially attractive for SMEs that may not have the resources to run their own operations overseas.

2) Direct Export. This approach allows the firm to have better control over the export process and product marketing in foreign markets. But this requires the formation of devoted bodies for the regulation of diverse business functions.

3) Manufacturing Abroad. When the basic determinants for export activity such as import quotas, customs duty, and high transportation costs are present, the embedding of production facilities abroad is the only way to reach the market in the destination country [2]. Major production options include:

– in-house production facilities,

– production contracts,

– license agreements,

– joint ventures,

– direct investment in production in other countries.

Continuing the exploration of strategic methods that enable businesses to successfully penetrate international markets, it is essential to consider the influence of globalization in the formation of these strategies. Globalization highlights the necessity for efficient management of international economic operations and the development of a robust strategy aimed at ensuring long-term viability in a competitive landscape. This necessity arises from the fact that the strategic management of international economic activities is executed through a series of functions, including planning, organization, motivation, control, and regulation.

According to O. Kirichenko, the fundamental structural component of a foreign trade organization is an enterprise that focuses on trading specific products or engaging with designated groups of countries. The management structure typically includes a director and several deputy directors, whose number is determined by their respective workloads [2].

According to A. Hrylicka's research, entities intending to immerse in foreign trade must not only have innovative potential but also the potential to perform production and commercial activities efficiently. Moreover, such enterprises need to satisfy certain key criteria:

1. They need to apply new management patterns rooted in governance principles of general economic and international management.

2. Generate commodities that are in accordance with international quality criteria.

3. Consider political and economic hazards as well as additional costs.

Management techniques based on the principles of improving profitability, preventing production resource shortages, and sharing risks and costs when creating partnerships [2] are applied and help improve the efficiency of company operations. To reach these goals, organizations need to create various types of marketing strategies, enter new markets, and encourage demand for their products.

The specifications of these strategies are mainly shaped by the overall structure of the organization. Choosing the right method for market penetration and entry into international markets is one of the critical planning processes. Such techniques are imperative in the formulation of an integrated global trade policy through which institutions can prepare for disruptions in a globalized ecosystem, compete on an international level, and achieve sustainable growth and progress.

Globalization is a complex phenomenon involving economic and technological innovations that impact global market integration.

Businesses entering international markets must adapt locally while considering constitutional amendments for their operations. Companies with a workforce of diverse backgrounds can benefit from affordable labor, as there is little regulation on salary increases. Strategies for entering overseas markets can lead to stratification, similar to that of large international firms. Management must wisely allocate resources and share risks when collaborating with foreign partners.

Future globalization studies should focus on technology, particularly digital advancements, and how companies uphold corporate responsibility regarding labor rights and environmental standards. Examining market entry strategies and their effects on competitive positioning is crucial.

These research areas enhance our understanding of globalization and help identify alternative business strategies in a rapidly changing environment, ensuring companies can thrive while supporting their communities.

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