

Ghettoization of world economy and it's impact on marketing

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Гетоизация на световната икономика и влиянието върху маркетинга

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Резюме: Изследването е посветено на феномена на отделянето и обособяването на цели национални икономики вътре в определена общност от държави или региони. Процес, който наподобява гетоизацията в европейските градове от 16 век насам и предизвиква определени особености в маркетинга, които фирмите провеждат на тези пазари. Разгледани са различни казуси. Особено внимание е обърнато на българския пазар и неговите особености като обособен „гетоизиран“ участък“ на най-едната страна-членка на Европейския съюз.

JEL Classification: M31, M3.

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Definition

What is a “ghetto”? When we talk about it, a picture of poverty unfolds. Today, as well as in recent time, we are looking at an alarming phenomenon called ghettoization of a vast number of the world population. This is a problem that we have to break down into sections. Where does the term “ghetto” come from, which people does it affect mainly, where can we find “ghettos” and many more questions are the main focus of this paper.

The United Nations data has estimated that there are around a billion people who call “ghetto” a ‘home’. For some cities, some 80 percent live in these areas. The UN has defined the term of “ghetto”, giving it 5 distinct characteristics. It is defined that it must lack one or more of these – access to improved water; access to improved sanitation; sufficient-living area; durability of housing; security of tenure.

They are usually located on the outskirts of the cities and are poorly constructed without any housing regulations. Although people live in slums in order to have access to better jobs, it is seen by observations that it is not enough to fully extricate them from the cycle of poverty. A majority of slum dwellers live on 1 US dollar a day.

Really, if we think about it, any city has a troublesome neighborhood, where the population is with the lowest income, unqualified young workers and high crime rate. The very word itself means a part of the city to which minorities were restricted to and segregated¹. And the difference is felt severely within large cities around the world. Emigration of people, capable of joining the workforce into the big cities has changed dramatically the demography and it is key to understanding ghettoization. Among individuals a gap has been growing in aspects regarding education, social status, regarding the religious beliefs even in some instances. Today there are two major issues regarding the very image of the city. Where more and more people keep coming, for one. And the other is the people’s ecologic footprint is dramatic. 75 percent of the worlds energy is used by cities. One in every three people lives in a slum. Ricky Burdett says that one argument is “Where do these people come from?” Unfortunately in most of the cities, they create entire enclaves.²

The word ghetto was first used in the 17th century³ to describe the Jewish quarters in Venice, where the Venetian jews were forcedly separated from the rest of the populace. The word is possibly a derivative from the verb **ghettare** which means to throw, cast in colloquial latin, or it could also come from the Yiddish word **get** which means an act of separation.

In a historical plan the word ghetto was used (and is still in use in a certain extent) to describe a dwelling place where a segregated minority lives in in poor conditions, separated on economic, ethnic or cultural grounds. As an example for a ghetto, we can for example look at Jewish ghettos created by Nazi Germany in the occupied countries during the holocaust, as a means of controlling and eradicating the Jewish culture and people. Another example would be the ghettos in the big cities in the USA, where

¹ <https://en.wikipedia.org/wiki/Ghetto>

² <https://www.youtube.com/watch?v=icw9f-0wACI>

³ <http://dictionary.reference.com/browse/ghetto>

mostly black people were (and in some cases still are) separated from the rest of the populace. The housing in these areas is generally cheap and government control – low. An interesting view on the development of ghettos is the demographic history of the city of Boston⁴, where in 1950, whites represented 94.7% of the city's population, but as the area's economic state became more and more destabilized throughout the years, that percentage dropped 49,5% by the year 2000. As families of non-europeans descent moved into neighbourhoods, white families tended to move out. There was also a tendency for minorities to “stick together” and form separate communities in the city, which modern governments tend to discourage.

The opposite process is also observed in Boston and is called **gentrification** which means that the property value increases, bringing middle and upper class families back and displacing low-income families and businesses and effectively changing both the culture and lifestyle associated with the area.

Modern-day ghettos in Europe, while similar to those in North America, tend to separate people on the level of integration, rather than on specific cultural differences. Refugees and middle-eastern immigrants are grouped up together with seasonal workers and in some cities, students. According to a study made by the Danish government, back in 2004⁵, ghettos most often are single type buildings where the residents often are not owners of their homes, but either pay rent, or the housing is given to them as payment or social help. It was believed that ghettos are result of bad integration policies and the fact that the residents were not invested in the areas, as they did not own the properties they lived on. The Danish government's current strategy against ghettoisation since 2012 is rather to concentrate on children and ensure they go smoothly through the integration process and eventually assimilating them in Danish society. Previously schools were either entirely made up of children of immigrant descent or of Danish descent, which made segregation a daily part of life of many immigrants and the current strategy aims to get youth of different ethnic and cultural background to study together.

The Big Picture

When we talk about ghettoization of the world economy we talk about vast areas, taking up a group of countries with similar GDP. As it is the case of Nigeria and Ethiopia, Bangladesh, India. We see how the term “ghetto” can be used as well on a global scale. Entire parts of continents

⁴ <https://en.wikipedia.org/wiki/Boston#Demographics>

⁵ http://www.stm.dk/multimedia/Regeringens_strategi_mod_ghettoisering.pdf

even can be described with the term “ghetto”. Meaning that we observe the same principals as in the city. People don’t have access to proper nutrition and housing and are subjects of low quality of health. Ghettoization is a serious and with a very deepening nature. It will continue to grow until action is made.

In order to understand properly the happening World Economy Ghettoization and its reflection on marketing nowadays, first we should go back to the word **“ghetto” and track its origin.**

“A ghetto⁶ is a part of a city in which members of a minority group live, especially because of social, legal, or economic pressure. The term was originally used in Venice to describe the part of the city to which Jews were restricted and segregated.”

At present by “ghetto” most of us would rather understand similar to neighborhood places, where people with bad financial status are living. Usually, they are not much integrated in the society and sometimes they are not especially keen on doing it. Most of the time people living in ghettos are from a particular origin or are just part of the lower class for that country. Not all but most of them are refusing to live like the rest (e.g. study, develop, work legally, respect the law), which is often excused by the lack of enough financial aid.

However, all this is only a flashback in order to help us imagine what could mean “ghettoization of the world economy”. What is more important is that by “ghetto” we understand something different, specific, isolated, unique, perhaps it could impose some specific needs or maybe it could unify them.

In one side, by “economy ghettoization”, it is fine to agree with the idea of “unification” of consumers’ preferences than creating “specific needs” for them. It is not a secret that everything – people’s thinking, understanding of life, preferences/ needs are becoming more similar than ever. This is due to the massive globalization that we are all participating in; it has never been easier for people to travel without any boundaries, to instantly communicate with each other, to make extraordinary purchases from all over the world without even going anywhere and even fall in love with people from completely different culture. The truth is that Earth’s population is starting to unify more than ever before and all this sometime makes us want pretty much the same things.

Recently **National Geographic** determined what Americans will look like in less than 50 years and it turns out the American population will be so

⁶ Wikipedia, definition of the word “ghetto”

mixed that all are going to have similar to each other features, color of eyes, hair, skin.

According The Wall Street Journal the future is absolute intermixing within couple of decades. It seems that all this mélange is reflecting to who we are and our future as well. And it is definitely leaving mark on how the world is developing so far.

In order to undertake a certain positivist approach to this research we are ought to consider the importance of properly defining certain terms. There is no unanimity regarding the time or place of the first use of the noun **ghetto**; while the most generic and widespread definitions stem back to the 16th century Italy, where it was used for the first time in a Venetian text that ordered Jews who wished to settle in the city to dwell a particular area with the word **geto** referring to the metal foundry that once occupied that same area. Today, the most widespread definition of the word⁷ stands for a part of a city in which members of a particular group or race live usually in poor conditions. This definition, although correct, gives us an unnecessarily pedantic meaning of the word; one that, in our case, is not of much use in the context of our topic. We are more interested in the more figurative definitions of the word, especially the words that are indicative of a process or an active state (the verb **ghettoize** in our context refers to the act of isolation, confinement). We will lean on the formal meaning given by the Cambridge Dictionary: the act of treating a particular group in society as if they are different from the other parts of society and as if their activities and interests are not important to other people⁸). In this respect we will interpret the word **ghettoization** as the process or the deliberate state of undergoing separation, or isolation, in the context of the world economy.

Although the definition of world economy manifests itself as clear and unequivocal, several crucial specifications should be made. The beginning of the second millennium is being marked by unprecedented globalization (made possible mainly by courtesy of the Internet and the advancement of telecommunications) that has powered the astonishing economic upheaval of some relatively poor countries and is indicative of the speed of the progress of international integration. However, while this integration is a fact between countries with friendly mutual relationships where views, cultures and ideas are easily exchanged there is a fairly substantial number of countries of variably important economic size (relative to the global economy) that have been in a state of relative isolation. The reasons for this isolation stems from numerous causes – from foreign pol-

⁷ <http://www.merriam-webster.com/dictionary/ghetto>

⁸ <https://dictionary.cambridge.org/dictionary/english/ghettoize>

icy isolationism and being in state of war to cultural differences inextricably linked to the particular country. We will examine the topic in the context of separate countries (not the aggregate international exchange of goods and services) that are either lagging behind in the development of their economies or have unique differences and what effect that has on the particular marketing activities in these countries.

Ghettos are characterized by four specific conditions present in varying degrees of severity: "social ostracism," "economic hardship," "legal arbitrariness from the side of authorities," and "security," which term has taken on different meanings in different historical eras and geographical locations.⁹

Ghettoisation is a phenomenon, which can be seen from two different sides. On the one hand, there are the "spontaneously" emerging ghettos of the poor and marginalised (or excluded) members of the society. In the "developing" world these are slums, favelas or townships – urban areas that are often completely marginalised, badly lacking basic infrastructure (from health services to clean water and electricity), in many cases also dangerous due to high crime rates and the state authorities' inability (and/or lack of will) to provide security both to inhabitants and, especially, to outsiders. These concentrations of population may be planned, as through government-sponsored housing projects, or the unplanned result of self-segregation and migration. Often municipalities build highways and set up industrial districts around the ghetto to further isolate it from the rest of the city.

The picture looks slightly better in the "developed" world, but here as well ghettos can be found in almost every bigger city. Although their population is mostly better off than its counterparts in poorer countries (at least in absolute terms), they share the same characteristics: relatively poor public infrastructure, high unemployment (and thus dependency on welfare services), relatively high crime rates, low participation in elections (and relatively high support for extreme or populist parties) etc. But the most important common characteristic of this kind of ghettos (as opposed to the second kind, to be discussed below) is that most of their inhabitants would not live there if they were able to choose. However, they in most of the cases cannot afford to move somewhere else.

The other form of ghettoisation is completely different from the one described above – except from the consequences. This one is aimed at, well-planned creation of closed, monitored areas where those having a high enough ability-to-pay live and others have no access – especially those from the "classic" ghettos. Here, common characteristics are: high education levels, high in-

⁹ <http://www.newworldencyclopedia.org/entry/Ghetto>

comes, often the employment of domestic workers, foreseeably and controllably planned space, high-quality, private infrastructure (although it is often supported from public funds), cameras, fences, security people... These communities are often even more homogenous and hermetic than the poor's ghettos. But, contrary to the latter, those living in those closed areas chose to. They did so to protect themselves and their families from crime, "bad influence", to provide them with the best possible education and career chances. Shortly: They want security and predictability.

However, allowing both for "poor" ghettos to emerge and for "rich" ghettos to be created is a deep failure of public authorities as well as of the broader society. The creation of such supposedly homogenous communities and their separation from each other is bad – bad for society, democracy and, as a result, for the economy as well. Envy and anger on the one side and ignorance and distrust on the other clearly lead to the erosion of social capital (understood here as the adherence to informal social norms and social networks). The precariousness of societal bonds that actually leads to ghettoisation is reinforced by it. This self-reinforcing loop also has dire consequences for democracy – not only, as already mentioned, because in "poor" ghettos election turnovers tend to be below average and support for populists high. Also, if we define democracy in broader terms, following John Stuart Mill, as "government by discussion", the erosion of social bonds and contacts/interactions (and increasing antagonism between the haves and the have-nots) cannot but be detrimental for it. This situation is also likely to increase the weight of vested interests in the public debate, creating another self-reinforcing loop.¹⁰

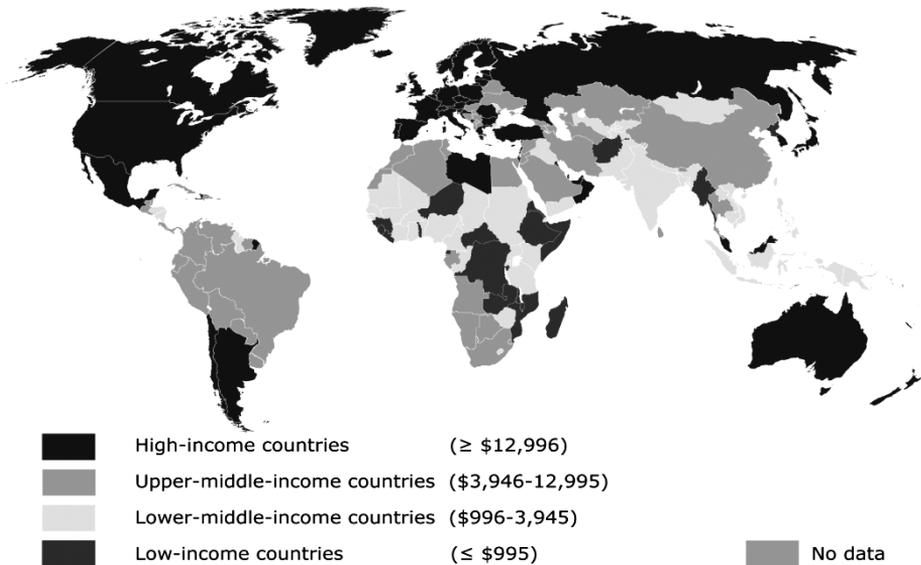
"Ghetto Culture" exists purely because of racism. Racism which is basically prejudice and discrimination against the people of a certain race. It resulted from segregation, discrimination, economic oppression, and psychological, cultural, and social alienation of black Americans. It developed on one hand due to alienation by mainstream America and on the other hand in defiance of it (because of the alienation and contempt).

This inequality leaves a trail also in the market – with the buyer profile is changing the purchasing power and the curve of demand and supply. (Figure 1.)

Therefore, ghettoisation can well be bad for economy, too, even if we don't view "inequality" as an economic criterion. All I have briefly sketched above is reason enough to worry about ghettoisation. But there is even more than that. Another problematic aspect is that ghettoisation is a social dilemma. Even those who do not want to accept it are, on their own, on a lost position.

¹⁰ <https://zielonygrzyb.wordpress.com/2012/05/30/the-dangers-of-ghettoisation/>

Figure 1. Countries by National Income per Capita



Source:<http://wikiprogress.org/articles/economy/national-income/>

As is the case with all social dilemmata, collective or government action is the only viable recipe. Where the problem of ghettoisation is rather small (in smaller cities and/or where it is a relatively new phenomenon) collective action by those affected may work. Otherwise (as in my personal case described above) there likely is no way around some sort of government involvement – through economic incentives (e.g., subsidies for those moving to poorer quarters, progressive taxes and the like), legal reforms (e.g., to prevent the creation of closed areas) etc. There is no easy, ready-made solution, but looking away is not an option.

The dangers of ghettoisation – for society in general, for democracy and the economy – are large. The problem is equally present in “developing” and “developed” parts of the world. While individuals are unlikely to break this self-reinforcing loop, communities can. If not, the consequences may be dire.¹¹

There is a popular myth that being customer-oriented is the secret of success in business. Sadly, although being customer-focused is essential for success, it is not enough to guarantee it. Success requires a company to focus on a range of actors in addition to customers, to understand what

¹¹ <https://zielonygrzyb.wordpress.com/2012/05/30/the-dangers-of-ghettoisation/>

each one values and to organise the business ecosystem to ensure that each one gets enough of what they value to be satisfied.

There has been much discussion of the advantages and disadvantages of being customer-focused over the past 25 years. The Marketing Science Institute sponsored a programme of research into market-orientation in the late 80s/early 90s which looked at customer focus and its impact on company profitability. The research was carried out by a number of independent academics at top US universities. To no-one's real surprise, they found that companies that focused solely on customers – at the expense of other actors in the business ecosystem – had significantly lower profitability and business performance than companies that took a more balanced approach. It showed that although creating satisfied customers are a critical for a company to be successful, they are but one of a number of actors whose needs sometimes require difficult trade-offs for a company to optimise profitability.¹²

Businesses have always sought to influence customer perception of their brands by setting out a clear and highly defined brand essence. Brand essence used to be a strategic marketing pillar that enabled marketers to ensure all communications embodied the values they wanted customers to experience. Brands must act and react rapidly within a dynamic and evolving omnichannel landscape where challenger brands can now pop up overnight. Every entrepreneur has a goal to build a well respected brand, company and amazing team around awesome products. Entrepreneurs with long experience know that a strong product portfolio is not enough, however, and long-term success can only be assured with a strong product pipeline. Developing and maintaining a product line is not as simple as simply coming up with new ideas in a few brainstorming sessions. Successful product-focused businesses, both business to business and business to consumer, approach product planning and development with a well executed framework that is part of the company's overall strategic plan.

Nowadays, “putting customers before the strategy” has taken on a whole new meaning. Brands everywhere are doubling down on the way they set up and market to customer life cycles, and many marketers are thinking backwards starting with the customer before creating new experiences and initiatives. The push for putting customers at the head of a marketing strategy is a good start, but you don't have to forget that everyone has their own goals and priorities.

¹² <http://www.mycustomer.com/experience/engagement/customer-centric-confusion-why-customer-focus-is-not-enough-to-succeed>

The United Nations' take on it

The UN has reported that the biggest ghettos in the world could be found in Latin America, Asia and Africa, the most deprived of them being in Sub-Saharan African “ghettos”. The biggest of them are in South African Republic, Kenya, Pakistan, India and Mexico. It has to be mentioned that the Mexican and Indian are, by far the most densely populated, reaching 4 million (Mexico, Mexico city) and 1 million (India, Mumbai). We need not take these figures seriously because accurate estimation are not always accurate, due to the fact that these habitats are one of the most rapidly growing human areas in the world. Despite the UN's efforts, along with that of many nations, the growth of ghettos continue to out-pay the structural and social improvements. The UN still pushes for greater control of government over these areas. In the hopes that residents could overcome their living situations and eventually prosper.

The South-African case

Said slums have interesting shapes. By far the most unusual would be the one in Johannesburg, which is the tallest resident building in the southern hemisphere. 54 stories tall the Ponte City building is in a cylindrical shape, so a person can see a ring of sky colors when sitting on the bottom. However innovative this design may be, residents of the city, don't go anywhere near the place, let alone inside it. It has a reputation for a rally point of crime, drugs and prostitution. However things weren't always this way. In 1975, when it was built, fifteen years from the end of African apartheid it was the place to be living for the African white minority. Through the 1970s, Mike Luptak says, “it was the crème de la crème of living”, as well as “if you were living there you were part of the in-crowd”. But as people began to leave the city of Johannesburg many parts of the city including the Ponte building surcame to decay. Drug dealers, crime lords and squatters overran it. The very appartments were stripped to match the future business of the new residents. As Mike Luptak says, “On the 13-th and 14-th floor you could get anything from a blowjob to an acid trip in mere minutes”. The building is such a legend that there are stories of suicide jumpers' bodies found at the center of the ground floor below.

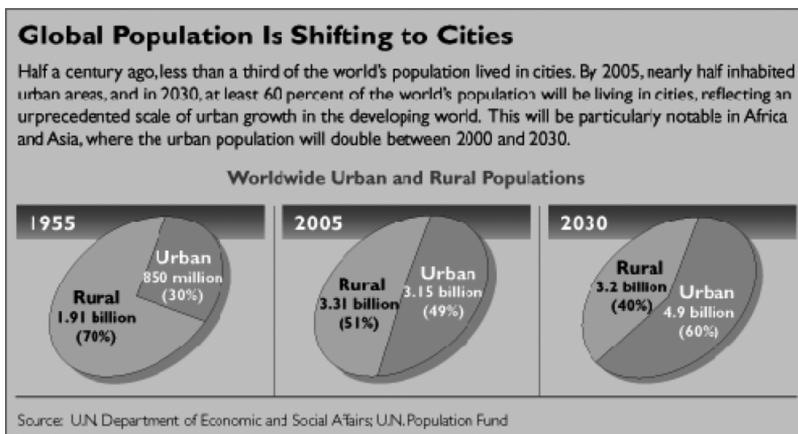
The reason being that they search for a longer life, a healthier one at that. That is why during the Industrial revolution, people in slums didn't live longer, risked trade off, and death of illnesses related to the food, likely because of the city's contamination. As in Figure 2 is shown most the process is under way for some decades now. And the search for a better quality of life has made people to go to big cities.

Reasons

As we push forward into the 21 century, the world faces many challenges each and every one of them intertwined delicately and directly. From climate change to the refugee crisis to political and military confrontation. Wherever there is a crisis a cavalcade of factors are in play. In the last decade, ghettoisation has become an alarming phenomenon, which has been ignited by armed conflicts in various parts of the world. Because of the conflicts, people become frightful of their generations and start escaping the harsh and dangerous circumstances that is war. The waves of oncoming refugees has seriously and harshly impacted the economy of the EU, as well as the neighbouring countries. Not only that but it has shaken up the trust and relations on the continent and has created the conditions of acute political tension. These regions torn from military actions basically become an economic gray area. As a result there are more than 50mn refugees, according to WTFO's database¹³.

Like any when we hear the word “ghetto” the image of old housing, accompanied with low income and low education. Such might be the case given the examples of “ghettos” within the U.S. From its beginning, American history is marked by the racial aspect, due to the slave policies and later in the 20-th century with the rise of Martin L. King. In 1984, Ned Resnikoff¹⁴ wrote a remarkable piece on the white-to-black wealth ratio, where it is estimated to be 12 to

Figure 2. Global Population is Shifting to Cities



Source: UN Department of Economic and Social Affairs, UN Population Fund

¹³ <http://wfto.com/events/world-refugee-day-2015>

¹⁴ <http://www.thedailybeast.com/articles/2014/03/13/how-we-built-the-ghettos.html>

The American case

1, with the promise of future growth of the wealth ratio. A big part of it had to do with housing discrimination. In reality it is a major key to understanding the problem. He also introduces us to the term “redlining” which is a form of discrimination in banking or insurance practices, discriminatory mortgage-lending practices, lack of access to credit, and low income have all become an obstacle towards homeownership for African – Americans, along with it creating and reinforcing communities segregated by skin color.

Redlining is more than a malpractice. It occurs when people’s prejudice get the best of them, thus impeding the economic growth of a given area, which in turn create a neverending circle and strengthening “the ghetto” area. That way one may not be able not only to afford a home but to start a business in those areas, thus impeding and denying the marketing opportunities.

Food and nutrition

From a nutritious point of view these residents can only purchase cheap produce with low nutritious value. Analogically, like in the Industrial Revolution, now people get slowly malnourished because of produce like microwaved dinners, fast food, snacks and sweets, high on unsaturated fats, salt and sugar. They alone contribute to health problems including obesity, diabetes, heart failure, and many more. All this, because of low income and a lack of perspective for future development within the “ghetto”, within the city.

Most of the times it is the very location of a supermarket that makes the difference. A study of selected communities found that only 8 percent of individuals of African American descent live near one or two supermarkets. Compared to other neighborhoods, black ones are more limited to access to supermarkets, where healthier foods are offered, as shown on Figure 3.

Ghettos make ideal habitats for cheap produce and stocks. Such as energy inefficient lightbulbs, cheap housing means ineffective ways for keeping heat from escaping and so forth.

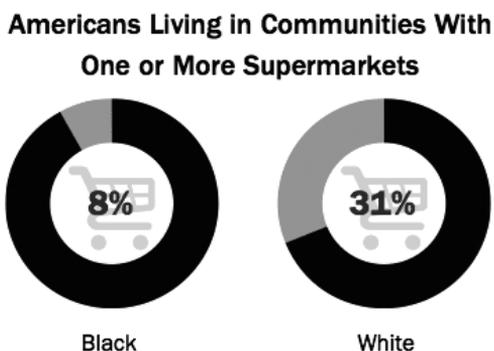
Ghettoization is fact in our everyday routine and in our economy and markets. As we are all starting to look like each other it is logical that our desires will become similar as well. There are tendencies that are being followed by everyone these days. And what is more, these tendencies have the power to reach all of us, no matter the distance, place, culture or language. This is why it is appropriate to say that marketing is also ghettoized and it, all together with the growing markets, gives to the world economy new look or at least some “new features”.

On the other side, “ghettoization” could mean exactly the opposite of all mentioned so far. Yes, global mixing is a fact, but just because we are all starting to look like each other does it mean that we are going to stop dividing regarding religion, culture, life status and education...No matter what it is more likable that people keep their prejudice for longer period than just 50 years ahead. For example, on macro level world can be divided into couple of parts- **The Group of Twenty**¹⁵, **Kingdom of Netherlands, Norden**¹⁶ **and The Third World**. Even though **The Third World** initially defined all neutral countries during the Cold War, nowadays it is still used to make reference for Africa, part of Asia and Latin America. In that order we could say that the world is actually separated into different “ghettos” wearing their own names and specific marks. And this makes the world economy ghettoized as well.

When we have world separation it is normal to have diversification between different “worlds” regarding their own economies, markets, business, etc. This causes different needs among their nations. The lack of something in Africa, Asia, and Latin America will not be the same as that in G-20 or among the rest of above mentioned countries. A quick research could easily show each of the “worlds” faults, strengths and distinguishing marks.

For example, a 21st century problem in **The Third World** is on first place the lack of water, massive starvation, illiteracy, poverty, a lot of maladies like cholera, malaria, dysentery. All this is followed by wars and murders among the population,

Figure 3. Americans Living in Communities with One or More Supermarkets¹⁷



Source:
<http://marketingland.com/mobile-hashtag-survey-finds-users-more-likely-to-explore-content-using-hashtags-if-offered-discounts-37778>

¹⁵ The Group of Twenty Finance Ministers and Central Bank Governors (or simply G-20) consists of 19 of the countries with biggest world economies including The European Union

¹⁶ Norden stands for The Nordic countries which is consisted by five countries- Denmark, Finland, Norway, Iceland and Sweden)

¹⁷ <http://marketingland.com/mobile-hashtag-survey-finds-users-more-likely-to-explore-content-using-hashtags-if-offered-discounts-37778>

army and “independent rebellions”. Another problem is the overpopulation, against which the Government is struggling. As a consequence those countries face serious problems with water and food. Child labor is also big issue for Third World countries as many children are forced to work in dangerous environment, e.g. – manufacturing or mining. All these problems are well known by most of us therefore, there are many organizations and foundations trying to limit them- e.g. **United Nations, Global Citizen Year** or thousands of self-dependent volunteers all around the world.

So far, the difference between this ghettoized “world” and the Third one mentioned above is immense. However, there are countries in the Group of Twenty that belong at the same time to one continent as those countries, assumed part of the Third World but are still distinguished between each other. As we already said Third World countries are assumed to be poor and badly developed while those from the G20 are extremely well developed, having strong economies and quite higher potential for prosperity, wealth and power over world economy and financial system. In addition, while Third World countries are trying to save themselves, the G20 ones adopt different strategies in order to strengthen their economies and defend their interests.

Of course, The G20 has its advantages and disadvantages, as well: the advantage is that if those 20 countries manage to agree with each other then it will be taken as a must to the whole world. The disadvantage- it is not as easier as it seems to come up to a common agreement! And similarly to all big international institutions working together for consensus, until everyone agree there won't be any advance. The result- only decisions that concern the industrialized countries should be taken with smaller pressure. Because bringing together countries like China, United States, EU and Japan is always hard when trying to achieve final agreement. It is not a secret that US government and companies hold the “upper hand”, trying to master the world. This is one of the G20 issues- answering the question how other countries to manage to put on the top their concerns and get their words be heard by the Americans. Therefore, some international agencies (like ILO¹⁸, IMF¹⁹, WTO²⁰) and the G20 group were initially created- they were supposed to serve against dominant power. Still the US succeed to use them to bring their own will, which is often said to be in the name wellbeing of the global economy. So the Americans often dictate "law", trying to help other countries get over their own issues but actually it is nothing but well played trade-off be-

¹⁸ The International Labour Organization (ILO)

¹⁹ The International Monetary Fund (IMF)

²⁰ The World Trade Organization (WTO)

tween American wills and other countries aims (e.g. Germany and China aim to boost their domestic growth).

Apart from all these politic games, the world ghettoization reflects not only economy but on marketing as well. Each of these countries, all having their own internal climate and specifications, make marketing diverse and disperse into different pieces, which can only fit in the place they initially came from. We are actually talking here about marketing segmentation- it means we have a particular market and we have an in-depth knowledge about its niches, consumers, “vagues”²¹, strengths and weaknesses...and of course laws, religion (in some countries particular marketing strategies are forgiven as they are considered to be „sinful” or simply illegal). Example for this is the **Islamic marketing**, which is barely known among Christian countries that have not yet internationalized much.

What actually Islamic marketing represent? **“It can be defined as the wisdom of satisfying the needs of customers through the good conduct of delivering Halal – wholesome, pure and lawful products and services with the mutual consent of both seller and buyer for the purpose of achieving material and spiritual well-being in the world here and hereafter and making consumers aware of it through the good conduct of marketers and ethical advertising Halal has three levels:**

Wajib or Fard, Mandoob and Makrooh. **Wajib** are obligatory acts, which in cases of failure to perform results in sin. It is a duty, which can be described as the **Core Halal**. In **Islamic Marketing**, firms must perform **Wajib**. **Mandoob** is something that is likable and preferable but not obligatory. This can be described as **Supplementary Halal** and should be done if possible. **Makrooh** is something that is despised and discouraged by the religion, and is usually only used as the last resort.

Mushtabeh are acts that Muslims should refrain from because they might be **Haram** themselves. Businesses should keep away from doubted acts like these.

Haram are acts that are condemned by the Islamic religion. Engaging in these acts is a sin.”²²

This type of marketing could also be interpreted as something ghettoized, as it is very specific and have no similarities to any marketing strategies and “habits” that most of us have ever heard so far. For example, it is the opposite of the unfair competition, which is widely spread in Northern countries and once again- The United States.

²¹ Vague (means “wave”, from French)- something extremely trendy at the moment

²² Wikipedia, Islamic marketing article

However, the most used form for marketing segmentation is this of demographic marketing, since it largely depends on consumer desires, preferences, and the level of product use. Moreover, they are easily measurable and affordable.

If we choose to settle down in a country, part of the G20 we could easily afford to promote product with higher class and is of course of present interest. Recent studies show what product niches would be trending in 2016. ***This is based, though, on consumers with higher financial resources.** So nowadays everyone is trying to live healthy, eat organic food, drink soy, almond milk and do sports as often as possible. This is why it will not be a surprise that products responding to those needs are on the top of the study. **Detox tea**, all together with other untraditional organic tea, is definitely a new trend that has been rising up last years and finally became widely spread among us.

In that order, while being on the “green wave”, another eco-product which has potential to become highly profit-making are the **LED Lightings**. People love it, as **“it is much more energy efficient, lasts exponentially longer than regular bulbs, is a lot more controllable, and safer for the environment.”**²³

Another interesting product, which becomes more popular are the **“Smart Drugs”** pills, better known in some Northern Countries. Those pills help you to focus, think and work harder. However, they are still considered as drugs, thus prevent them to be legally sold in most countries.

The influence of Inequality on Marketing Trends

Inequality as a dimension of the ghettoization in World Economy has evoked one of the major trends in Modern Marketing – Corporate Social Responsibility. Nowadays, people have become more caring about social and nature preservation problems, so it is normal for the companies to implement those issues in their marketing strategies. Especially, if doing so, they are guaranteed to attract more customers and positive attention to their products.

In modern times, it is quite common for the concentration of economic activity, into a certain area – the so called “ghettoization”. This is due, to a wide variety of factors, such as:

- Political, economic and monetary unions, which make the exchange of goods and services easier for the countries involved in them.
- Resource differences – such as concentration in different areas

²³ Abetterlemonadestand- Online Ecommerce

- Willingness to pay on part of the consumer – this concentrates a certain market into a certain country.
- Absolute advantage of a country – The ability of a country, individual, company or region to produce a good or service at a lower cost per unit than the cost at which any other entity produces that good or service.
- Investing in the Company's Brand during Recession

Abandoning brand equity during market shrinkage would only exasperate matters. Historically, companies that support their brands by using measures that reduce costs and maximize impact can retain and even expand their market shares in a market that focuses on lower-priced alternatives. These will later become the market leaders when the economy inevitably bounces back from the dip.

An example is Nike's miraculous emergence from the U.S. Stock Market crash of '87²⁴, where they came out from the recession with multiple times higher profit margins than going in. Other examples of that time are Taco Bell and Pizza Hut, who promoted themselves heavily, while McDonalds cut back on marketing expenditures. This decision is one of many that lead to their challenge of the Golden Arches' leadership in the fast food industry.

An example of failure to adjust is the rise and fall of the one-time smartphone leader Blackberry²⁵. During the recession the company failed to produce new products in 2012 that could compete with the iPhone – an innovative product that came out during a recession. This in turn sealed the company's fate.

Most importantly – a company's decisions during a crisis should be focused on spending wisely and not waiting things out. The typical reaction is slowing down production, while the economy grinds to a halt. While this may keep things afloat for a while the company's most valuable asset – their brand – suffers greatly.

During difficult economic decisions, it is also important to invest significantly with minimal spending. Of the ways to increase ROI in the company's brand is:

Encouraging employees to represent the brand or "live it". This brings the company together and can boost employee morale greatly, while ensuring their minds remain focused and on-brand.

²⁴ <http://www.marketwatch.com/story/10-lessons-from-the-1987-stock-market-crash-2012-10-19>

²⁵ <http://gigaom.com/2013/10/01/blackberry-the-one-time-smartphone-leader-its-fall-and-the-comeback-that-never-happened/>

Chase after the lowest hanging fruits – where can the brand be represented the best and how can you get the message out?

Negotiating everything you buy – from longer payment terms, bulk discounts and other loyalty benefits. This stands as a throwback to an earlier point, where we talk about a customer's decision reassessment. For other companies you might be the client, not the seller. This leads to the next point:

Leveraging contracts with other companies to engage in mutually beneficial activities. While the companies in your market cut costs at every turn, you would do best to extend a helping hand while also gaining the competitive advantage of cross-brand advertisement.

Speaking of "ghettoization", it means "the process of becoming a ghetto, an isolated and underprivileged urban area." what we can understand from its definition is that they are special groups whose life are in poverty. There are lots of reasons cause this to be happened, but the global economy (i.e. Globalization) is the biggest one.

The economic globalization is a double blade sword. The inhabitants who live in a ghetto obtain rare benefits from the globalization. One advantage is that aid agency is more open, by the assistance of the responsible local government agency and non-government agency, the anti-poverty project can be more targeted. They count on possibility perhaps is another benefit of globalization. Globalization provides better information, making some inhabitants can pursue the way of life and opportunities that they never thought before. Skilled or educated workers may find a well paid job in the transnational company, but these workers can not live in ghettos.

These extremely limited benefits comparing to the numerous harmful effects of globalization seems insignificant. In fact, there are so many disadvantages of globalization, if some countries really care about the welfare of the poor, there's no need to participate in the globalization. The main harm of globalization is causing massive loss the opportunity of employment of both public sector and private industry, including the formal sector of import-substitution industry. The remaining departments of employment are often unstable and the wage can only maintain a minimum living level. Another important disadvantage of globalization is that as some people get a global chance to improve their income, the economic inequalities rise. This means that the main resources of the city is more and more dominated by the people who are comparatively wealthy. This will lead to inflation, because the "new comers" can afford to pay more money for all kinds of major commodities. The negative effects of globalization have caused significant growth of ghettoization.

The poor have been rejected, living in the isolated and underprivileged urban area – ghetto. The ability of seeking welfare for the poor from each country's government is limited. While the local governments in poor areas has no tax base to help the poor. Moreover, many dazzling new ideas, concepts and international standards, as well as instability of public life undermine social cohesion, shaken the traditional power base.

Overall, comparing to a few isolated developing countries, their "brilliant" practice of being poverty contribute to them for seeking opportunities that brought by the globalization, it seems actually better for developing countries. Alternatively, each countries may follow the example of developed countries. For the project which can bring little returns or no returns, the project for little or no tax benefits, or the project from other area that can not bring benefit to people, the developed countries are very strict on selection criteria. In this way, it requires the central government to be careful on selection, and local governments are rarely able to reach this level.

The world seems to have entered a new era of advocating *laissez-faire* (an economic system in which transactions between private parties are free from government interference such as regulations, privileges, tariffs, and subsidies. The phrase **laissez faire** is part of a larger French phrase and literally translates to "let (it/them) do", but in this context usually means to "let go".), filled with all sorts of representation of *laissez-faire*. Especially the alternation of economic prosperity and economic depression intensify the inequality, there are more and more uneven distribution of new-found wealth. In the past, this system once manufactured the famous ghetto in nowadays' big cities of developed country. Now, this system is likely to play old tricks in developing countries.

From 1945 to 1973, the global economic is in a long-term growth. This phase is characterized by social inequality reduction, social justice is improved. Thereafter the situation was being opposite. During the 1978-1993 recession, the income inequality and poverty in most countries was growing. In mostly countries even in the world the the lowest income earners' real income decreased, resulting in deterioration of poverty.

The deep causes of this trend is the cyclical capitalism, the increasing demands of skilled labor (in terms of the opposite to low-skilled workers) and the impact of globalization. All of these are actually interrelated.

In the last century, the world economic situation in most industrial countries are in a significant improvement. The problem is that the new wealth in the late 1990s is possessed by a majority of the highest income groups, but the low-income groups are just making their position more stable, or continue to decline. The trend from the mid-1970s had begun. The reason for this situation is very simple – do not have much rights in labor and / or the government does not actively making wealth redistribu-

tion. In this case, the most powerful economic groups can always get the most of the new wealth.

Globalization itself is not a cause for the country and the city giving up the wealth redistribution policies which aiming to make benefit for the majority. On the contrary, because the government believes the state should be competitive in the world economy, therefore it has brought a change in policy. For the fear of being overstepped by the low-cost producers in Asian countries, many countries lifted the regulation of the labor market, reduce social spending. In fact, trade position has been consolidated in developed countries, the expense of profitability in Asian countries is from the damage by other developing countries.

Thus, inequality, poverty and the rapid development of ghettos are not caused by the non-human impact of globalization inherent, but because the inevitably results of the government make a decision and then implement the economic policy. The central government in many countries give up for promoting fair, redistribution of wealth, the responsibility of social justice and social stability. Indulge in fantasies to maintain competitiveness and wealth in a small number of people. In the past the international countries develop, organize and carry out the market-based solutions, which also lead to the equality and formation of ghettos. Market-oriented solutions almost plays no role in the implementation of all areas. Facing with these failures, most responsible for assistant development organizations regards working on poverty reduction as one item on "to-do list".

Facing the challenge of globalization, the central and municipal governments always need to take the responsibility. Government have to decide what will mostly good to people. The Government and the people must join hands to hands with the enlightened donors to develop strategies and promote beneficial outcomes. Each country must clear the social development goals, sticking to achieving the goals, recognizing the realities of the global economy, but not control by it.

The impact of ghettoization on the market is obvious, because the inhabitants in each ghetto are mostly from low-class who are uneducated. There are few jobs for them, so their wages are relatively low, and another prominent feature is that where they live relatively has dense population, so for marketing, in determining target marketing, companies should conduct market segmentation, which refers to the market dividing into smaller customer base, these customer groups have different needs, characteristics or behavior, and require different marketing strategies or combination.

Even though the people lives in ghetto has low income, but they still have the need of consumption. So they are in the part of consumer market. To

analyze consumer market, we can start from its geographic segmentation.

To accommodate such a high-density urban ghetto areas, and a large number of potential consumers, companies should decide to engage in business activities in one or a few geographical areas, or operate in all areas, but at the same time concerned about the needs and desires of geographical differences.

According to population segmentation, where we mainly talk about income segmentation, enterprises should adapt to the ghetto market, targeting low-income people, with low prices, they can quickly increase sales and occupy the market, such as some cheap shops.

Besides, the ghettoization may cause the increase of labor, more and more poor people want to get a job, labor market increases. The increase in labor makes production costs becoming low, and hence the price of consumer goods on the market will become low, demand of production will rise due to the cheaper prices. It is good for a lot of poor people. They can buy easily what they want in terms of the low price.

Economic globalization has become an irreversible trend. It is the product of modern science and technology revolution, the inevitable result of the liberation of the trade and the investment. It has both advantages and disadvantages, people used to compare it to "double-edged sword." It gave the world the opportunities, but also challenges.

China, the world's largest developing country, must clearly recognize the situation, distinguish the pros and cons, in order to seize opportunities, meet challenges, and truly benefit from economic globalization. For the connotation of "economic globalization", internationally recognized it refers to is the increasing economic integration and interdependence of national, regional and local economies across the world through an intensification of cross-border movement of goods, services, technologies and capital.

A double-edged sword to the world economy

There are several benefits of globalization for the whole world economy.

First, economic globalization has improved the world market and made it much more stable. It makes the production factors of all countries flow freely around the world and get optimized, enhances the effective disposition of sources.

Second, economic globalization provides greater space for the development of multinational corporations and the global expansion, and promote the global industrial restructuring, impulses the rapid developmen-

to productive forces, improves the economic quality, gave birth to a new period of growth of the world economy. It is also useful to display the comparative superiority and reasonably utilize the resources for each country, brings more opportunities and make greater contribution to the whole world.

Thirdly, accompanied by a wave of economic globalization, international economic relations between countries becoming closer, economies have become increasingly interdependent. People gradually realize that the common interests of the humankind form global consciousness and formed a tightly integrated community. Peaceful cooperation, dialogue and development are the overriding themes of the times, thus contributing to the long-term stability of the international community, in favor of countries committed to economic development and enhance international competitiveness.

Economic globalization has also brought negative effects for the world economic development:

First, globalization has increased the risk of global financial markets and gave international investors a chance to make waves in the international financial market. A large number of "hot money" will be wagered on speculative profit, once the credit crisis appeared, the result will be a regional and even the global economic crisis.

Second, the economic globalization has also aggravated the imbalance of the world economic development and broadened the gap between the rich and the poor. And today this imbalance has become a serious problem in the world, fundamentally affected the further development of the world economy, including the developed economies.

Economic globalization for the developed country

Economic globalization is directly driven by the developed countries, the rules of the game is dominated by the developed countries. They are undoubtedly the biggest beneficiaries of the economic globalization.

First, economic globalization has expanded the space and the sphere of influence of economic activity for developed countries, and gave them more investment opportunities. And wherever they go, they can quickly occupy and monopolize the market with their own advantages and economic power, then use the local cheap labor and natural resources to obtain maximum profits.

Second, the economic globalization promoted the formation of a perfect global market economy, swept away many trade barriers, created the conditions for the developed countries to expand exports and trade opportunities increased.

Third, economic globalization has brought more sources of supply of cheap manufactured goods for the developed countries and create the conditions for the development of high-tech industries, research, development and production of high value-added products, thus upgrading industrial structure and international competitiveness of the products

Fourth, economic globalization has promoted the development of multinational companies from developed countries. The formation of a economic monopoly gave the developed countries a chance to receive more monopoly return. Currently there are more than 60,000 multinational companies worldwide and for more than 80% of them belong to the developed countries. They take up the predominant position on global production, trade, scientific and technological development, international investment.

Of course, economic globalization not only bring the developed countries benefits. The increase of foreign investment and input of cheap foreign manufactured goods had a negative effect on some of the labor-intensive industries and domestic employment in developed countries. Technical output makes the international competitors much stronger. The increase of foreign investment resulted in the transfer of tax sources abroad and increases the pressure on government welfare spending. So, for example, we knew that the United States affected by the economic globalization. And the US had to face challenges, one challenge to the American model, and the second is a challenge to the international status of the United States, the third is on the American domestic isolationism and protectionism challenge. Indeed, with the development of economic globalization, the pattern that world economy dominated only by the US in the past has changed into a pattern of the United States, Europe, Japan have formed a situation of tripartite confrontation, coupled with the rise of the Asia-Pacific Economic Circle, America's international position has been affected. In the 1970s, with the breakdown of the Bretton Woods, the collapse of the dollar-centered fixed rate exchange system, the sharply fell of the international status of the dollar, American foreign trade balance started to change from surplus to deficit. In the mid-1980s, the United States changed the role of the international largest creditor into the international largest debtor. But generally speaking, the United States and other developed countries benefit from economic globalization far outweigh the negative effects.

Economic globalization for the developing country

In some ways, economic globalization is not conducive to the development of national industries in developing countries. For example as the gradual open of the Chinese market, some national industries are facing more strong pressure from foreign-funded enterprises, under the fierce compe-

tion they began to shrink, lose their vitality. The number of smaller companies in some space decreased significantly for the those years as a result of acquisitions and retirements. It is not hard to see, China's national industry is under the control of foreign threats in varying degrees. For example, in the early 80's the Guangzhou famous brand of shampoo factory 'Clean Flower', which produced the national brand products is all the rage. In 1988, it established a joint venture with foreign P & G detergent company in Guangzhou, Chinese company made the price of 'Clean Flower' as 5 million yuan investment in the joint venture, but after the joint venture, P & G put it aside, but invested a billion dollars in advertising and made efforts to sell American 'P & G' company's 'Head & Shoulders', 'Rejoice' and other brands' products, but the original Chinese 'Clean Flower' brand fallen off.

Economic globalization undermines, or impact and weaken the sovereignty of developing countries to some extent. Due to the strengthening of world market forces in the conditions of economic globalization, as well as multinational companies in developed countries continues to expand, the powers of developing countries in economic affairs is relatively weakened. Especially because of the global production structure, developing countries actually difficult to completely control their own country's production structure. This situation is clearly inconsistent with the concept of national sovereignty. In addition to the weakening of economic sovereignty, but even more frightening is that political rights have also been impacted.

Gap between the rich and the poor

The conventional gap between the world's rich and the poor mainly refers to the North-South gap between developed and developing countries. Advocates of economic globalization has been declared: During process of economic globalization, technology and capital of the developed countries will flow to the developing countries, the combination of market and cheap labor in developing countries will promote economic development in developing countries and narrow the North-South gap the North-South gap. But years of practice has indicated it did not, except for China, India and other a few developing countries attracted sufficient foreign capital inflows, had rapid domestic economy development, other developing countries, such as Argentina, Chile and other South American countries, had not received sufficient funds, the development of economy even went worse. Since the prevalence of the information economy, the gap between North and South is widening, the majority of the developing countries in Asia, Africa is still far can not enjoy the benefits of the information economy. Since the prevalence of the information economy, the gap between North and South is widening, the majority of the developing countries in

Asia, Africa still can not enjoy the benefits of the information economy or global economy.

The core technology and capital of Western countries is unique, the developing countries always depend on developed countries. But it is worth noting that developed countries will also depend on developing countries, as long as the developing countries have unique advantages, such as big market and cheap labor in China and India, the oil resources in Middle East countries. The key to the profit distribution is how to make use of these resources. But for now all the core technology and capital of the developed countries, after all, are advanced means of production, and they have obvious advantages, so the developed countries have these resources become the biggest beneficiaries of economic globalization.

The 'ghettoization' in specific case

Now we know more about the global economy, and we know it bring out the gap between some countries. So this also means some of the the rich men are getting richer, some of the poor men are getting poorer. This let us associate to the notion of 'ghettoization'. The ghettoization of the economic globalization can be regarded as some poor people were gradually isolated by the increasingly economic development. The economic globalization made the production and consumption exist in different countries, and most buyers of the productions and services are those laborers. And they are always squeezed by the rich people, and this made the laborers poorer. And this also impede the expansion of the market.

They are not the minority, and they live in different cities or countries. Actually, there are various level of poverty. As in China, some people can be called 'living at the bottom of Pyramid', still have purchasing capacity, they can be valuable consumers for the potential market. Provide some products those related to life with appropriate price, it can motivate them, to help them integrate into society and improve their life. The companies can even receive benefits.

For example, in China, the people who live at the bottom of the pyramid, their monthly salary is around 500 to 2000 yuan, and the number of this kind of people is 3 hundred million. They are generally not illiterate, enjoy the completed infrastructural facilities, and have contact with the outside world. However, most of the world poor people are suffering from the pain of political and social war or other bad things, which exacerbated the misery and misfortune in their lives, so they can not get some goods and services. In contrast, China's social environment is relatively stable, living standards are improving in this population.

The unique needs of the poor in China

This kind of people usually interested in products and services with basic functions, such as nutrition, health, protection. It is worth noting that health, children's education and development, are two huge potential market. Because they like to place their expectations on their children, and they think making the future their children better is an important thing. Besides, these people willing to pay for cheap entertainment, so television has become the one of their durable goods purchased in life.

Although they will be affected, but they still more willing to believe that those who can prove that the product has really good quality. So in this part of marketing campaign, it should give priority to the quality of its goods.

Limited income is the reason that they are used to purchase a small amount of goods, that is why the small packaged goods can succeed.

The living conditions, they like the products are used in harsh conditions, such as dust, moisture, sun protection, more durable products. In addition, they also demanding for maintenance service.

Due to the differences of life style, these people's demands for the products and services are totally different from the rich people. These are our chances of marketing.

China is the world's most populous country, the government thinks the Internet can be the driving force of economic development to motivate the people in rural and remote areas. Rural China Internet access rate is expected to be rapidly increase, consumers will have access to meet more products and services. Enterprises can take advantage of the opportunity of the development of the Internet, make their products be known by more consumers.

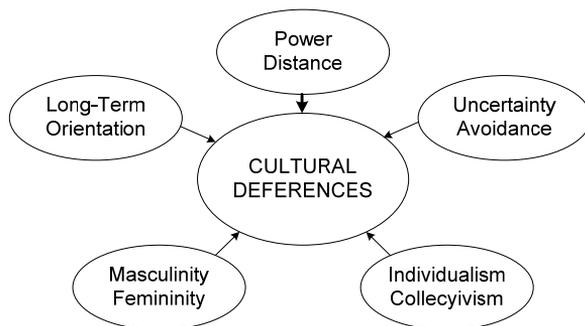
All in all, the economic globalization has the pros and cons, every country needs to use the best strategy to face it. Hope the lives of the poor can be improved, the development of the market economy can be stabilized in the future.

In conclusion not only a country could be ghettoized, but countries' economies and even marketing strategies. Everything could be divided to different elements with their own particularities and advantages. What is most important is to look deeper and try to make our research from inside out and don't forget all small details in the meantime.

Cultural Environment Analysis

In order to promote in Bulgaria the international countries have to consider the cultural environment in Bulgaria. The easiest way to do that is to use the **five dimension model of Hofstede** (Fig 4).

Figure 4. Five dimension model of Hofstede



Source: <https://www.pinterest.com/pin/234116880608524023/>

The first dimension of the model is **Power Distance**. This dimension shows how people accept the hierarchy and the relationship between the managers and employees. Also it points out how decisions are made – if the manager makes all the decisions or the subordinates are expected to be consulted within the process. In Bulgaria the score in this Power Distance dimension is high. People are used to the levels in the hierarchy and are compliant. The “boss-figure” is very important. In advertisements it is usual for consumers to be shown status symbols and also age hierarchy plus apart as it is normal for young people to do as told by their elders.

The next dimension of the Hofstede’s model that is used to clarify the cultural environment is **Individualism**. This dimension is used to distinguish whether the emphasis is on personal goals and achievements or on family and work. Bulgaria, according to this model, is a collectivistic society. This means that we desire harmony and loyalty within the company. The main focus is on in-group benefits and the advertisements usually present families – family members from different generations and age groups. The methods used to advertise are often drama and entertainment in order to build a special relationship of trust between the consumers and the brand.

The dimension that shows the difference between **masculinity** and **femininity** is very fragile in Bulgaria. Masculine societies are typically take pride in possessions and money and facilitate a patriarchal community.

On the other hand the feminine cultures are interdependent and are empathic towards others. The quality of life is important. Usually Bulgarians regard themselves as proud and masculine, but the general data shows that we are not completely true. Our score in the research is below average which means that we are more feministic than masculine according to Hofstede's model. This means that it is not abnormal for men to do housework and show them as humble and inclined towards reason and compromise, rather than conflict. Usually most from the advertisements broadcasted on TV are for cleaning detergents, creams, sanitation products and household products in general and fewer are for cars and sport bets, or other commodities associated with masculinity. A product with is regarded as more masculine, like beer is often advertised as a means and or bi-product of comradeship, the key word in those commercials being fellowship and friendship.

Uncertainty Avoidance is another model that is used to show the cultural aspects of a country. It describes the ability to accept the uncertainty and the fact that the future is unpredictable. Countries that measure high on this scale usually have difficulties with accepting new products. On the other hand the low uncertainty avoidance societies are more innovative and open-minded. Bulgaria is regarded as the former, a country displaying high uncertainty avoidance. The facts in support of this statement are: a lot of bureaucracy and people being generally very suspicious.

The fourth dimension of Hofstede's model is **The long-term and short-term orientation**. It is hard to tell whether Bulgarian culture is short or long-term orientated. The problem is that it is common to have two ads back-to-back , one saying "GO AND BUY NOW", You can buy this super new modern TV on loan with 0% interest" and also advertisements that are more long-term oriented – such as mortgage credits and long-term deposits.

Another major model is the **High vs. Low Context**. This orientation shows what kind of information sources are preferred by people. Usually high context societies prefer their information source to be verbal. For them, the actual things being said are not as important as the context (tone of voice, gestures and expressions) and because the information that they provide is indirect, it is often needed to delve into the meaning of the text as a whole, to derive the true meaning of the message.

On the other hand low context societies are focused on the content. For them the literal reading of written words is more important and they also evaluate all the facts before making a decision. Bulgarians could be regarded as a High context society, due to us being regarded collectivistic and having a high uncertainty avoidance level. We need to be given ex-

planations, test reports, comparisons and have the approval of some scientific institute to regard something as trustworthy.

Religious and Technological Analysis

After clarifying the 5 dimensions of Hofstede the international marketer has to explore the religious and technological situation in Bulgaria. As an orthodox culture, the difference in the dates at which we celebrate a certain holiday must be taken into consideration (such as Easter for example). The different dates of the holidays are important for the advertising campaigns during the holiday. One should also note that, while still christian, some holidays are either not celebrated, or not well received. An example would be Halloween, which while gaining popularity in recent years, is difficult to introduce to older generations, which means that you probably wouldn't be able to sell Halloween decorations in Bulgaria, since the younger generations, that show interest in the holiday, often do not have their own home which to decorate. On the other hand one would probably have success selling costumes, makeup and other themed party accessories to the youth.

The Bulgarian society is also not very technologically advanced. We appreciate all kinds of new technology but it is slow to catch on among the older generation, which are the ones most often targeted, as they are much more economically free. People still prefer classic types of advertisements like posters, radio, newspaper and TV advertisement. Web advertising rarely get the desired attention and is not as trustworthy.

Political and legal environment

The next step in the research is to explore the political and legal environment. The things that one should take into consideration are: packaging, labels, exchange rates and emerging markets.

Product and packaging strategies

Some of the product and packaging strategies should be changed for Bulgaria. First the packaging strategy: it is generally a good idea to have the brand name and the information on the packaging in cyrillic. An example might be Coca-cola's decision to write it's name on the bottle in the local language, which is something they don't do for every country they sell in.

Things to generally take into account when stepping on a foreign market would be the cultural habits, the environmental characteristics (very hot summer and very cold winter) and the language. By adapting the product and the packaging they can penetrate the market deeper and more successfully. For example the cheese in Bulgaria is not Gauda, Maasdam or

Emental, we have white and yellow cheese, so in order to sell those types of cheese you have adapt your marketing strategy and promote them as very exclusive.

Global vs. Local Brand Name

The next issue a marketer should deal with is whether to choose the global brand name or local brand name. Each selected option has its benefits: the global name is more recognizable, carries prestige and has common characteristics in all the countries the product is sold in, on the other hand the local brand name is preferred in developing countries (like Bulgaria) when a company wants to step the market faster, because people in these countries are more likely to recognize and trust a familiar-looking product. This issue in does not have a clear answer for Bulgaria. It cannot be said for sure whether international companies prefer a local vs. a global brand name. For example Coca cola came in Bulgaria in 1965 when the communist party was in power. The brand was a symbol of the West world and the liberty of people and ideas. So the marketing department in Coca Cola decided that it will be better to keep the global brand name in order to promote better. This message was very popular back in the days and it is still the main idea (besides the family oriented one), that Coca-cola is sending to the buyers in Bulgaria. Other examples of keeping the global brand names are Ariel, Maybelline NY, IKEA, Starbucks and many others. In some way Bulgarians prefer the global brand name because they associate the name with a higher standard and better quality. But there are also international companies that prefer to change the global brand name and change it with a local brand one. The international brand of Unilever has bought the Bulgarian ice cream brand “Darko”. They sell the ice cream in the refrigerators of “Algida”, which is the official name of the Unilever ice cream branch (in Spain the brand is called Frigo), but they kept the local brand name because Darko was very successful and recognizable. Another example of keeping a local brand name is the chocolate brand of “Svoqe”. The Bulgarian brand started producing chocolate in 1901 under the name “Republic”. In 1993 Kraft Foods bought the factory and in 1994 their chocolate was introduced to customers as Svoqe. That was the first brand that Kraft Foods bought in Bulgaria and then started the expansion of the brand. After that they introduced Milka chocolate, Schuchard and many others. In 2001 Kraft Foods bought the biggest coffee factory and started the brand “Nova Brasilia” which nowadays is the best-known coffee brand in the country.

Price Strategy

The price strategy is probably the most important problem that has to be dealt with. The price can be higher or lower than in the home country.

The living conditions in Bulgaria are worse than in most Western countries which makes it almost necessary for marketers to lower the prices of house hold products. The price strategy is linked to the market strategy – whether it's market spread or market concentration. Products like Smart phones, TVs and other products are using a market spread strategy because those are products that people buy once. The price of those products is stable and usually standardized in accordance with the company policy. It will be very odd if iPhone costs less in Bulgaria than in Germany for example. Of course there are the companies that are using market concentration strategy. The products they are offering are reaching many people. It is a strategy that is common for stable markets and it is used to penetrate the market deeper. The price strategy of those companies is an adaptation of the price. In the case of Bulgaria usually the price should be lower than in the home country. The reason behind that decision is the difference in the living standards, the cultural environment, exchange rate of the euro and most importantly the competition in Bulgaria. The competition in Bulgaria is very strong. There are many different small companies that are offering almost the same products and the only thing that is separating those products is price.

Communication strategy

The communication strategy is also very essential to marketers. Usually there are three options for communicating with the customers: the first is when there are no big differences in the environment, the concept and in the target groups (like Belgium and The Netherlands); the second is when the strategy is the same, but the concept due to a difference in the cultures (Germany and Austria); and the third possibility is with different strategy and different concept. To my mind in Bulgaria the communication that is used is slightly different from those three types, because most of the advertisements are not made in Bulgaria and are often just translated.

Conclusion

I chose to analyze the cultural, political, legal environment and the product, the naming, the price, the communication strategies in Bulgaria because I wanted to point out the requirements that the international marketers will meet, when trying to introduce a product to a market different than that which the product was made for. As a part of the EU, we in Bulgaria are trying to integrate to the rest of union, but the process is long and we've barely just began the process. While we are still a European culture, the huge differences in the quality of life that people lead here and in western countries, can compare us like a ghetto in EU and marketers trying to sell their product in the conditions of ghettoisation, will

largely face the same problems as they face, while trying to place something on the Bulgarian market. One must always be aware of the conditions of the market, in which he's working no matter what is being sold and while I'm not comparing Bulgaria to a ghetto, I believe that the same rules would apply, in such a place, as trying to sell in a different country, as the culture, the very stuff that makes a peoples what they are, is vastly different than in the rest of the community and while we still are not able to integrate and/or assimilate everyone we live with, marketing and the way people regard differences in in general, must change and adapt to the conditions.

During market turmoil, management often strays from brand-centric focus and instead shifts paradigms to reduce prices and costs. In turn this leads to a waning brand presence and possibly customer disloyalty, as reduced revenues tighten budgets and company values continue to fade. Only the best positioned players or the savviest marketers stay afloat.

Although recessions are generally speaking very bad news for marketing strategists, it is also a time for change and the best time to reinforce one's brand. The companies that take the time to shift their perspective and invest time in building brand recognition come out stronger and more successful from the experience, as history has shown.

In recent years we have observed an increasing tendency, both in “developing” and “developed” countries, toward urban ghettoisation. This trend is a very dangerous one, not only because it undermines societal bonds, but also because it is self-reinforcing. The more ghettos we have created (or allowed to emerge), the more difficult it becomes to reverse this tendency and to restore a stable society.²⁶

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