Regionalization and Marketing Mix Strategies of a company
(A study of Telecommunication Company)
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ABSTRACT

Our study deals with the concept of regional trade blocs or open borders (Nordic Region) and their impact on the Marketing Mix Strategies of the firm. The purpose of our study is to analyze the regionalization concept as company point of view and then its impact on the marketing mix strategies of a company operating in Nordic Region. To get the appropriate data for this, we studied a telecommunication company based in Norway and operating in Denmark and Sweden as well. We adopted the inductive approach and case study method, and our study is based on our research findings, on the basis of which we developed our own model. The model discusses certain variables and factors which influence the marketing mix decisions of the company.

The study results show that company felt the reality of open market and trying to get the advantages of this opportunity by modifying or reorganizing its marketing mix strategies according to the open market conditions. Innovation and product development according to the customer demands in different markets forced the company to take attention about their product line and product components. Competition in local and regional market forced the company and they based their price strategy on competition so competition became a driving force for the company’s price strategy. Open borders gave a number of alternatives to position the products and Telenor is using different distribution channels which vary from market to market and country to country. Company adopted trans-border strategy for the easiness of their end consumers and used different brand names in different markets but with single logo at all.
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(Source: Own adaptation)
1. Introduction

This chapter will introduce the objectives of research and the area of our problem discussion. Besides it, there will be the brief presentation of background which leads to our core topic. This brief background is necessary to understand the importance of our topic because from the background we can get a picture of Regionalization and its impact on a company in terms of its business and marketing mix strategies.

1.1 Regionalization (Background)

Regionalism is in fashion. It seems that every month brings news of yet another agreement among a group of countries, or between one group and another, to strengthen their economic links, particularly by removing barriers to trade and investment among themselves. This is certainly not the first time in history that regionalism has been on the march. There was wide spread attempts at regional trading arrangements in the 1960s, which largely failed. Before that, in the 1930s there was a major fragmentation of the world trading system into competing blocs, which in the standard view succeeded only too well. (www.iie.com)

Countries form free trade areas for a number of economic and political reasons and this is done, usually, by eliminating tariffs and some non-tariff barriers. Free Trade Areas permit the products of partner countries easier access to one another’s markets. (William, 2005)

During the past two decades, the value of world merchandise trade more than tripled. And for many countries trading opportunities with their neighbors have increased substantially. As a result, world trade has become more regional. One factor has been the reduction in trade barriers stemming from regional free trade agreements, however, other factors likely contributed to this regionalization of trade. (www.stls.frb.org)

Among these trading regions the most successful one has been the European Community (EC), the world’s largest multinational market region and foremost example of economic cooperation. As it became apparent in the late 1980s that the EC was to achieve the long term goal of a single European market, a renewed interest in economic cooperation followed with the creation of several new alliances (Cateora, 2003).

Europe is covered by a range of regional economic agreements, which have an impact on trade barriers and mutual integration through trade. There is the European Union (EU) internal market, the European Economic Area (EEA) establishing free trade relations between the EU and EFTA (European Free
Trade Association) countries. The basic characteristic of these agreements is that the EU is in the centre of this regionalism while other countries form the periphery. In other words, there is a hub-and-spoke system of trade agreements, an apt term used by Baldwin (1994). (Alho, 2003)

From the above explanation, we came to know that countries are rushing towards trade blocs to get the fruit in different forms. It can be political as well as economical. Now this is not limited to the extent of countries, but we can see its affects on the companies operating in different regions. They are also trying to operate beyond the national boundaries to get the competitive advantages in terms of more profitability. Companies are becoming regional because free trade areas permit the products and services of a company, easier access to one another's markets.

It is quite obvious that when a company crosses its national borders and starts its operations at the regional level, it has to change its business policies and strategies to get the reasonable market share in new market. The changing business environment from local to cross border affects the marketing mix of the companies. Strategies regarding company’s products/services, price, place and promotion are usually affected by operating in international or regional market. Regionalization became a hot topic in today’s business world, which encouraged us to study this topic and to conduct our research in this field.

1.2 Regional Trade Blocs

Regional trade blocs are intergovernmental associations that manage and promote trade activities for specific regions of the world. Trade bloc activities have political as well as economic implications. For example, the European Union, the world’s largest trading block, has “harbored political ambitions extending far beyond the free trading arrangements sought by other multistage regional economic organizations”(Gibb and Michalak 1994: 75). All this regional activity leaves some observers concerned that the world is dividing into three continental trading blocs, one is the Americas centered on the United States, one in Europe centered on the European Union, and one in Pacific Asia, centered on Japan (www.iie.com).

1.2.1 The European Union: A Growing Family

The EU began in the 1950s as the ‘European Communities’. There were six member states: Belgium, Germany, France, Italy, Luxembourg and the Netherlands. They were joined by Denmark, Ireland and the United Kingdom in 1973, Greece in 1981, Spain and Portugal in 1986. Reunification of Germany in 1990 brought in the East German Lander. In 1992, a new treaty gave new powers and responsibilities to the Community institutions and introduced new forms of cooperation between the member state governments, thus creating the European Union as such.
The EU was enlarged in 1995 to include Austria, Finland and Sweden. The 2004 enlargement brought in the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. Two more countries, Bulgaria and Romania, are on course to join in 2007. Two others, Croatia and Turkey, are also beginning negotiations for EU membership. (www.europa.eu)

As originally established in the 1950s, European integration was limited to economic issues. As the years went on, it grew to include monetary and possible political integration as well. In the 1957 Treaty of Rome, which still serves as the fundamental law of the EU, the EU member-nations sought to achieve four fundamental freedoms:

1. Freedom of movement of goods
2. Freedom of movement of services
3. Freedom of movement of capital
4. Freedom of movement of people. Goods; services, capital and people are to move freely among all member-nations of the EU (Ball, 2002).

1.2.2 The Single Market: Banning the Barriers

It took some time for the Member States to remove all the barriers to trade between them and to turn their "common market" into a genuine single market in which goods, services, people and capital could move around freely. The Single Market was formally completed at the end of 1992, though there is still work to be done in some areas - for example, to create a genuinely single market in financial services.

During the 1990s it became increasingly easy for people to move around in Europe, as passport and customs checks were abolished at most of the EU's internal borders. One consequence is greater mobility for EU citizens. Since 1987, for example, more than a million young Europeans have taken study courses abroad, with support from the EU (www.europa.eu).

1.2.3 The European Economic Area (EEA)

The European Economic Area (EEA) unites from the 1 May 2004 the 25 EU Member States and the three EEA EFTA States (Iceland, Liechtenstein, and Norway) into an Internal Market governed by the same basic rules. In order to ensure equal conditions for businesses across the whole Internal Market the EEA Agreement covers competition and state aid rules. (secretariat.efta.int)
The EEA Agreement is concerned principally with the four fundamental pillars of the Internal Market, “the four freedoms”, i.e. freedom of movement of goods (excluding agriculture and fisheries, which are included in the Agreement only to a very limited extent), persons, services and capital. Horizontal provisions relevant to these four freedoms in the areas of social policy, consumer protection, environment, company law and statistics complete the extended internal market. (ec.europa.eu)

Now from the above elucidation, we came to know that today, businesses are changing their shapes and business concepts are continuously spreading themselves to internationalization and globalization and we are seeing a movement towards regionalization. These changes are occurring at a rapid speed and business concepts and trends are going to be modified by the different factors. This study is carried out in the light of foregoing discussions which leads us to the following problem statement:

1.3 Problem Statement

*How the Regionalization or Open Borders are affecting the Marketing Mix strategies of a company?*

1.4 Purpose

The core purpose behind our research is to study those effects which are caused by the regionalization or open borders on the marketing mix strategies of a company located in a member country of that region.

The above mentioned problem statement indicates the following main purposes of study.

1. To analyze the regionalization concept as company point of view
2. Impact of regionalization on the marketing mix strategies of a company

To get the practical exposure of regionalism through company’s experiences, we conducted our research in a company which is located in Norway and Norway is the member of European Economic Area (EEA). Besides it the company is also operating in neighboring countries (Sweden & Denmark) and the both countries are the members of European Union (EU). It means the company is operating in Nordic Region and taking the advantage of open internal market. That’s why it is necessary for us to get the exposure of EU and EEA so we can understand the company’s geographical existence and its importance on the company’s business.
1.5 Delimitation of the study

Our study is restricted to a telecommunication company and its marketing mix strategies. More exposure about the open borders and their impact on marketing mix strategies can be achieved if those companies are studied which deal with physical products, their movement and their positioning activities across the borders.

The other limitation is that, Telenor is based in Norway which is not the member of EU single market while operating in Sweden and Denmark which are members of EU single market. There are certain effects of this issue on the price and promotion policy of Telenor, though Telenor is enjoying in open market due to the European Economic Area (EEA).
2. Methodology

This chapter will cover the discussion about the methodological issues related with this product. It will further deal with the chosen research approach, results from the literature review.

2.1 Methods and Approach

The method is the tool, which is being used by an empirical study to reach a specific goal in a scientific way. There should be a matching between, on one hand, method and on the other hand the problem, purpose and the available resources. The chosen method should also be based on the analysis, which has to be conducted (Martin Eriksson, 2003).

2.1.1 Research Approach:

When determining what research approach should be adopted, there are so many options for a researcher to take under consideration. The research approach consists of the inductive or deductive way of drawing conclusions, and qualitative and/or quantitative method of investigating information.

Two different approaches for drawing research conclusions exist, that is, induction or deduction. A deductive approach is according to Doorm & Ekroth (2003) based upon the theories and area investigation. This should be followed by an attempt to describe and explain if the reality truly is what the theories earlier stated. In contrast Doorm claims that the inductive approach is not based on any theory at all, rather than approach of collecting data from which a general conclusion can be drawn. They finally argue that this could lead to a future development of a new theory.

According to Johansson & Svedner (1998) the qualitative approach allows the researcher to describe the individual case more thoroughly, since the objective is not to generalize. Furthermore, the method is flexible and therefore it enables the researcher to correct possible weakness and incorrect formulations and also to add lacking questions (Lekvall & Wahlbin, 1987). Johansson & Svedner (1998) further stress that if the researcher instead collects a great amount of facts, and analyses them with the purpose to find patterns that are presumed to answer for a large group of individuals, a quantitative approach is recommended.

We adopted the inductive approach, and our study is based on our research findings, on the basis of which we developed our own model. Since the purpose of this investigation required the methodology that would enable us to a deeper understanding of the problem at hand, we adopted a qualitative approach, which allowed us to investigate our problem area in more depth and
detail. Due to the personal indepth interviews, we got a deep understanding about the company's marketing mix activities and strategies after the open borders in Nordic region

2.1.2 Induction or Deduction

According to Pervez Ghauri (1995) there are two ways of establishing what is true or false and of drawing conclusions: induction and deduction. Induction is based on empirical evidence while deduction is based on logic. Through induction we draw general conclusions from our empirical observations and this process goes from assumption to conclusion. By deduction we mean that we draw conclusions through logical reasoning. In this case, it need not be true in reality, but it is logical (Pervez Ghauri).

2.2 Data Collection

We are going to use two types of data in our research which will be helpful to get our destination.

1. Secondary Data
2. Primary Data

2.2.1 Secondary Data

Secondary data are information collected by others for purposes which can be different from ours (Pervez Ghauri 1995). According to Ortinau (2000) Secondary data not gathered for the immediate study at hand but for some other purpose. The theoretical frame of this research is mainly based upon literature found in university library. Besides it, the gathered information is up to date, since the literature used is not so old.

2.2.2 Primary Data

Primary data are originally data collected by us for the research problem at hand. When secondary data is not available or is unable to help answer our research question, we must ourselves collect the data which are relevant to our study and research problem. Normally this includes observations, questionnaires and interviews.

2.3 Sources of Evidence

According to Yin (1994) there are six different sources of evidence. Among these sources, one of the most important is interview. For our study, this source is used
as well. There are different types of interviews and mostly it depends upon the study topic and respondents.

- The open ended interview: In such type of interview, investigator asks the main respondents for the facts about the core topic of research as well as company’s views.

- The focused interview: In this form of interview, respondent is interviewed for a short period of time. This can be an open-ended but the researcher has to follow a certain set of questions from an interview guide and usually respondent is not asked the questions of open-ended nature. In our research we adopted the second type of interview.

2.4 Selection of companies and interviewee

To collect the appropriate information for our research study, we attempted the method of case study to fulfill our purpose we decided to conduct the interviews in any possible ways. Among them we found the personal interviews, best for our purpose. We wished to gather information from our chosen companies to be able to get a deep understanding of the effects of open borders on the business of a company due to regionalization.

The choice of companies was made in such a way that we can get more and more exposure but it became difficult for us to get a positive response at the whole. Basically we chose two types of companies

1. Companies involved in business to consumer activities like Telenor (Norway), Tele2 (Sweden), ICA super stores (Sweden)

2. Companies involved in business to business activities like Dormer Tools (Sweden)

Among these companies we are given the most positive response by Telenor so our whole study is based on the information collected by this company. We started our work by interviews through telephone and e-mail but later on we succeeded to get the time from Telenor’s personnel and then we attended a nice session with face to face meeting in Telenor head office in Oslo.

2.5 Data Validity and Reliability

Yin (1994) claims that research design is the logical sequence that connects the empirical data to its conclusions. Hence, for a research measure to be valid, it must also be reliable, and vice versa.
2.5.1 Validity

Validity refers to how well a specific research method measures what is supposed to be measure. Generally, it is more difficult to resolve validity than reliability (ibid). High validity can be achieved when the research brings the outcome which is supposed to be and this is also referred as internal validity.

To the extent of our study, the purpose was to know the effects of regionalism on the marketing mix strategies of a company operating in that region and our research method helped us to find the desired results.

The most significant problem which we faced during our research was the privacy and confidentially of the facts, information and strategies of the company. For that purpose we have to re-establish our interview guide and we gave the surety of full privacy about the information collected to the company’s management.

2.5.2 Reliability

According to Chisnall (1997) Reliability refers to the stability and consistency of the results derived from the research, to the probability that the same results could be obtained if the measures used in the research were replicated. Lekvall & Wahlbin (1993) states, a research holds high reliability if it can be repeated several times and the outcome is same.

For the reliability of our research, we tried our best to choose the right persons for the interview purposes and before it we developed the interview guide which led us to our core topic. We tried to decrease the probability of interview bias. For this purpose we developed the interview guide and when we found that our respondent is not feeling secure about the information asked, we re-developed our questions and then face to face interview was finalized.
3. Theoretical Framework

This chapter is dealing with those major drivers and variables which affects the company’s marketing mix decisions and it leads to a change in overall marketing mix strategies of a company. On the basis of earlier research, a model is developed and discussed which indicates that different variables have direct or indirect impact on the strategies of the company.

The complexion of the entire world marketplace has been changed significantly by the coalition of nations into multinational market groups. To international business firms, multinational groups spell opportunity in bold letters through access to greatly enlarged markets with reduced or abolished country-by-country tariff barriers and restrictions. Production, financing, labor, and marketing decisions are affected by the remapping of the world into market groups. World competition will intensify as businesses become stronger and more experienced in dealing with large market groups. European and non-European multinationals are preparing to deal with the changes in competition in a fully integrated Europe. (Cateora, 2002)

The formation of the Single European Market (SEM) meant that Europe became the largest trading bloc in the world with the population of 380 million people making it a powerful competitive force in the global markets. This, of course, was the key objective of the moves towards a unified market. In the early 1980s it was recognized that if European companies were to compete successfully in the increasingly inter-dependent and global economy, a free and unbridled large internal market was necessary. This would enable companies to develop the critical mass needed to compete globally. The highly fragmented and restricted European market was seen as a major barrier to the ability to compete in global markets. (Doole & Lowe 2001)

3.1 Forces behind Market Integration

3.1.1 Improved Communications:

Improvement in communication is considered as a supportive reason for opening up new markets overseas, because certainly the ability to communicate rapidly and less expensively with customers and subordinates by electronic mail and videoconferencing, has given managers confidence in their ability to control foreign operations (Ball, 2002).

3.1.2 Greater Revenue

Rarely will all of a firm’s domestic competitors be in every foreign market in which it is located. Where there is less competition, the firm may be able to
obtain a better price for its goods or services. Increasingly, firms are obtaining greater revenue by simultaneously introducing product in foreign markets and in their domestic markets as they move toward greater globalization of their operations. This result in greater sales volume while lowering the cost of the goods sold (Ball, 2002).

3.1.3 Lower Cost of Goods Sold

Going abroad, whether by exporting or by producing overseas, can frequently lower the cost of goods sold. Increasing total sales by exporting not only will reduce research and development (R& D) costs per unit but also will make other economies of scale possible (Ball, 2002).

3.1.4 Protection of Domestic Market

Frequently, a firm will go abroad to protect its home market Companies are establishing foreign operations in markets where their principal accounts are to prevent competitors from gaining access to those accounts. They know that ones a competitors has been able to demonstrate to top management what it can do by servicing a foreign subsidiary, it may be able to take over the entire account. Similarly, suppliers to original equipment manufacturers often follow their large customers. These suppliers have an added advantage in that they are moving into new markets with a guaranteed customer’s base (Ball, 2002).

3.1.5 Attack in competitors Home Market

Occasionally, a firm sets up an operation in the home country of a major competitor with the idea of keeping it so occupied defending that market that it will have less energy to compete in the home country of the first company (Ball, 2002)

3.2 Factors Which Influence the Marketing Mix Decisions

According to Bearden (2001), there are certain environmental factors that influence the marketing mix decisions and those are

- Social Environment:
- Cultural Environment
- Economic Environment
- Political-Legal Environment
- Technological Environment
- Competitive Environment
- Institutional Environment
Development of Conceptual Model

From the above study of different factors and forces, we concluded, there are different variables which are affecting the businesses and the marketing mix decisions of a company, when it goes in more expanded and integrated market. After this effect, company has to change its marketing mix strategies due to market expansion. With the help of above explanations and model, a new model is developed by us in which certain above mentioned factors and variables are included and their impact on marketing strategies of a company are shown.

The development of a new model is based on our findings. This topic of regionalization is studied and discussed in literature very well but to the extent of our study, we couldn't find a single model which indicates the impact of an open market on the marketing mix strategies of the company. Regionalization concept is studied and discussed in detail but on the economical and country level and not on the level of a firm and its marketing behavior. There are a lot of fragmented models by different authors which show the regional markets and company's behavior towards them and their overall business strategies but our model shows only those variables which force the companies to rethink about its marketing mix decisions which ultimately have an impact on the regional strategies of a company. Now how the marketing mix decisions of a company is affected by different variables is shown in the model below.

3.3 Explanation of Conceptual Model

In the model we see three parts. One consists of different variables which are the result of open borders due to regionalization. We can call these variables the opportunities created due to regionalization. The other part which is influenced by these variables is the marketing mix decision of the company. When company observe the opportunities definitely it has to rethink about its marketing mix decisions to get really fruits of these opportunities so company think about its marketing mix decisions. When company changes its marketing mix decisions, according to the new market environment to get more benefits, this factor effects the marketing mix strategies of the company which are mentioned in the third part of the conceptual model.
Conceptual model developed on the basis of study and research:

Figure 3.2 (Own Adaptation)

Influencing Variables
- Economic Integration
- Removal of barriers to support free movement of factors of production in broad market
- Cheap communication
- Easy legislation and relaxed regulatory environment
- Good economic conditions and operating environment
- Competition and Economies of scale
- Technological Advancements

Marketing Mix Decisions
- Product (quality, packaging, design, customer service)
- Price (objectives, discounting, setting prices)
- Place (type of channel, logistics, service levels)
- Promotion (objectives, communications mix, media, effectiveness)

<table>
<thead>
<tr>
<th>Company’s Product Strategies</th>
<th>Company’s Price Strategies</th>
<th>Company’s Promotion Strategies</th>
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<tbody>
<tr>
<td>• Different and extra quality</td>
<td>• Based on competition environment</td>
<td>• Standardized with cultures and norms</td>
</tr>
<tr>
<td>• After usage services</td>
<td>• Depends upon demand</td>
<td>• Depends upon local subsidiaries</td>
</tr>
<tr>
<td>• Environmental caring attributes</td>
<td>• Influenced by cost factor</td>
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<th>Company’s Place Strategies</th>
<th>Company’s Place Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Similar with competitors</td>
<td>• Based on competition environment</td>
</tr>
<tr>
<td>• Depends upon market</td>
<td>• Depends upon demand</td>
</tr>
<tr>
<td>• Depends upon nature of business</td>
<td>• Influenced by cost factor</td>
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</tbody>
</table>
Note: We are considering the marketing mix decisions and marketing mix strategies of company as separate because we are taking marketing mix decisions as first stage while strategies are affected at the later stage.

3.3.1 Explanation of Variables Mentioned In the Conceptual Model

Variables and factors which we found during our study and mentioned in the conceptual model, these are actually those opportunities which are the result of open borders due to regional market integration and expansion. These variables have an impact on the marketing mix decisions of the company which drive its marketing mix strategies.

Economic integration creates large mass markets for the marketer. Many national markets, to small to bother with individually, take on new dimensions and significance when combined with markets from cooperating countries. Large market are particularly important to businesses accustomed to mass production and mass distribution because of the economies of scale and marketing efficiencies that can be achieved. In highly competitive markets, the benefits derived from enhanced efficiencies are often passed along as lower prices that lead to increased purchasing power.

Removal of trade barriers is like a market enlargement, as separate national markets move towards integration in a regional market. This allows firms to benefit from greater scale and attracts investment projects for which market size is important, including foreign direct investment. Removing barriers also forces firms from different member countries into closer competition with each other and this factor can be a threat for the companies but possibly inducing them to make efficiency improvements.

Easy and cheap communication technology improves the speed with which information and knowledge can be accessed and transferred, so the world becomes smaller. This does not mean that we are close to the complete standardization of marketing strategies, programs and processes (Doole & Lowe 2001). A rapid development in communication made the companies possible to develop their business activities in overseas markets more easy and profitable.

The companies, going to operate across the borders has to face certain problems like delays at borders, form-filling, recertification of products etc. Even if there are no duties, border formalities themselves create barriers and can be quite wasteful but now, due to more open market and integration, certain procedures are implemented to avoid certain legal hindrances which can directly or indirectly affect the marketing activities of the company (Trade Blocs, World Bank Report, 2000).
Many countries are too small to support, separately activities that are subject to large economies of scale. This might be because insufficient quantities of specialized inputs are available, or because markets are too small to generate the sales necessary to cover costs. Regional cooperation offers one route to overcome the disadvantages of smallness, by pooling resources or combining markets. Note that the disadvantage of smallness can also be overcome through unilateral trade liberalization and fair operating environment (Trade Blocs, World Bank Report, 2000).

Competition and economies of scale effects arise as separate national markets become more integrated in a single unified, market. The large market permits economies of scale to be achieved and brings producers in member countries into closer contact-and competition-with each other. Entrenched monopoly positions are eroded, promoting efficiency gains within firms.

A trade bloc combines markets, making it possible to reduced monopoly power as firms from different countries are brought into more intense competition. This can yield three types of gain. Firms are induced to cut prices and to expand sales, benefiting consumers as the monopolistic distortion is reduced. The second source of gain arises as market enlargement allows firms to exploit economies of scale more fully. In a market of a given size there is a trade off between scale economies and competition- if firm are larger, then there are fewer of them and the market is less competitive. Enlarging the market shifts this tradeoff, as it becomes possible to have both larger firms and more competition. The third source of gains comes from possible reductions in internal inefficiencies that firms are induced to make. If the RIA increases the intensity of competition, it may induce firms to eliminate internal inefficiencies and raises productivity levels (Doole, 2001).

Technology is converging in and between industries with similar processes and ideas are being used, for example, in telecommunications, information technology hardware and software, entertainment and consumer electronics, so that new product and services cross the traditional boundaries between the industry sectors. New technology are adopted around the world at every grater speeds and in many industries this is being driven by a small number of global players that have the market power to customers to make wider application of the ideas more cost effective. In this way the globalization of technology is contributing very significantly to the competitive advantage of the MNEs who are able to market it in a number of industry sectors because they have developed effective distribution channels and international promotion (Trade Blocs, World Bank Report, 2000).

As EU developed a single internal market, it became necessary for the firms operating in area to join the market as it was the need of time. So we see, as companies cross the national boundaries, they become global customers as
well as local market saturation also forces the companies to experience the taste of foreign market (Ball, 2002).

3.3.2 Marketing Mix Decisions of Company (4 P’s)

A marketing mix is the overall marketing offer to appeal to the target market. It consists of decision in four basic areas: product (development of a product, service, or idea to exchange), pricing (what to charge for the exchange), and integrated marketing communications (how to communicate with the target market about the possible exchange), and distribution (how to get the product, service, or idea to the target market to consummate the exchange). (Bearden, 2001)

3.3.3 Marketing Mix Strategies of Company

According to our model, marketing mix strategies are influenced by the company’s marketing mix decisions while marketing mix decisions are influenced by the regional market environment, demand and size and cultural differences of the country. It means due to regionalization, company thinks about its marketing mix and then adopts the standardization or other strategies which can be based on different factors like demand, competition and cost factor.

In practice firms adopt a combination of standardization and adaptation of the various elements of the marketing management programs and processes by globalizing some elements and localizing others. In broad terms it is possible to categories a firm’s strategic development as multi-domestic, global or regional, a third alternative strategy in which separate, but largely standardized marketing strategies are implemented in different regions of the world (Doole & Lowe, 2000).

- Standardized marketing strategy: Where a firm develops and implements the same product, price, distribution, and promotion strategies in all international markets.

- Customized marketing strategy: Where a firm develops and implements a different marketing mix for each target market country.
4. EMPIRICAL PRESENTATION

In this chapter, we will present the outcome of the information gathered from the interview. The results concerning Telenor’s business in Nordic region and Impact of the open borders on the product mix strategies of the company will be presented.

We have already discussed in the methodology part, that the data was gathered both from primary as well as secondary sources. Interviews (face to face and by mail) were conducted to get the answers of those questions which require deep considerations.

4.1 Telenor Company Basic Information (General Information)

151 years old Telenor with the ratio of ownership 54% by state and 46% by private sector is one of the largest mobile operators worldwide with ownership interests in 12 mobile operators across Europe and Asia, constituting a total subscriber base of 82.7 million at year-end 2005. At the moment this international company is listed at Oslo and NASDAQ stock exchanges.

Telenor is Norway's largest telecommunications company and one of the fastest growing providers of mobile communications services worldwide. Telenor is also the largest provider of TV services in the Nordic region. In 2005, 57% of the Group’s revenues were derived from the mobile operations. Telenor has mobile operations in some of the world's fastest growing markets, and the home market, Norway, is one of the most advanced in the world today. Group revenues for 2005 reached NOK 68.9 billion - a growth of 14 per cent compared to 2004. At year-end 2005, Telenor employed 27,600 people (man-years) - 16,700 of whom were employed outside Norway.

Telenor's strong international expansion in recent years has been based on leading-edge expertise, acquired in the Norwegian and Nordic markets, which are among the most highly developed technology markets in the world. Internationalization was achieved on the basis of strong positions in satellite communications, in mobile communications and in domestic Internet activities. Telenor has been one of the world's leading suppliers of satellite communications for many years. Norway and the Nordic region have been in the forefront of the development of mobile communications, and Internet use has quickly gained ground in this market (www.telenor.com).

Telenor’s strategy is to strengthen the performance of the local mobile operations in the Nordic region, Eastern and Central Europe and Asia by combining Group industrialization with local drive and responsiveness. Further, to develop its leading position in the Nordic region with a broad range of communication services.
4.2 Telenor and open borders

The basic objective behind the open borders phenomena is to allow the free movement of the factors of production like the free movement of goods, services, people and capital by removing the existing barriers to trade between members (Ball, 2002). Telenor is taking into account, the realities of the open borders due to regionalization and single market concept though there are problems in specific areas.

Though domestic market is very important for the Telenor but there is a monopolistic condition and the company is the giant in the market, in this case the company thought to cross the borders to capture the foreign market, especially, when the target market has a fair business environment. The strongest reasons for targeting a market were the attractive business environment, high growth of target market in Sweden and Denmark and removal of barriers to entry. Besides it, easy legislation was also an attractive point of move for Telenor.

On the other hand, competition is continuously increasing and challenging the firms. Due to this competition force, now Telenor has to defend even its home market from competitors by entering the competitor’s home markets to sidetrack them.

4.3 Telenor and Regionalization

Due to the changing trends of international business and marketing, in 2002, new laws were introduced for communication sector in Norway and because of the harmonization of those rules and regulation; Telenor felt easiness to conduct business outside the country’s boundaries because the removal of border controls is being reflected in greater efficiency and lower costs for European business, capital is moving freely between member states and more companies are competing in open market.

Telenor experienced that open borders among nations are changing business environment for the companies in many ways. Being an international company, different but more harmonized regulations and removing barriers are promoting free communication, in this regard; company gained a nice experience in foreign markets. Telenor perceived these changes as opportunities and not the threats but the experience of company showed that still practical implementation of EEA or EU is not finalized so the fruits behind this are not fully gained.

Open borders influenced directly the market activities of the company especially due to its location in Norway which is still a non-member of EU. Because Telenor is marketing nationally but not globally and considering the Nordic Region as its home market so overall satisfaction of consumers and
environmental care are the strategies which are recommended in order to take the advantages of opportunities and minimization of threats.

Developed EU due to European Market Integration, nice system and transparency proved themselves supportive factors for the development of the company’s business. Though reduction of physical and technical barriers have not much effects on the business of company due its nature of business as it provides and supports infrastructure for telecommunication sector but still company realized that new regulations due to market integration has impact on company’s strategies.

Still Norway has not joined EU, so companies located in the country are not fully enjoying the benefits of the European Single Market but being a member of EEA Telenor is taking the advantages of open borders and as it is based in Scandinavia, so open borders in the area are providing advantages for the Telenor business.

As large markets attract competitors but in the case of Telenor, it is not necessary due to the nature of its business as telecom sector has certain features and everyone cannot be a giant in the market without a lot of investment and heavy infrastructure. But still due to the competition, there is a clear reduction in network operators in the region and its current example is the acquisition of Vodafone by Telenor in Sweden.

As Telenor has its business in different markets like Sweden, Denmark and Norway (we are not taking into account the other markets due to the limitations of our research problem) and among these markets two are enjoying the EU single market while one is enjoying the benefits of EEA so competitive changes are taking place in the telecommunication industry which range from products to customers and these competitive changes are offering more opportunities due to different factors.

Telenor has the clear concept of “Think global Act local” so the company is quite national regarding its adaptation or standardization strategies. The company is more competitive and sharing its knowledge with crucial equipment and heavy infrastructure with standardized thoughts and products so the open borders have not much impact on its standardization strategy.

Telenor as a company operating in a region is enjoying the benefits due to the open borders like

- Easier physical access to markets in the neighboring countries
- Innovation resulted by freer competition and liberalization and increased cross-border business
- Lower costs due to the elimination of frontier controls and the simplification of administrative procedures
- Lower costs due to the improved economies of scale
- Opportunities to exploit comparative advantages

4.4 Telenor’s Regional Strategies

For many companies regionalization represents a more manageable compromise between the extremes of global standardization or multi-domestic strategies. During our study in Telenor we found a nice combination of business strategies which lie between the two extremes of standardization and adaptation.

As the companies are taking the opportunity from the formation of regional trade blocs to build on existing or from new trading relationships and are including regional objectives and plans as a significant part of their worldwide strategy. In this way, Telenor has a considerable market share in telecommunication sector in Nordic region through its trading relationships.

Telenor has adopted diversification strategy as well at the regional level because a diversification strategy requires the firm to expand into new products and new markets. On the other hand, though this strategy involves a lot of risk but due to fair business environment and Telenor’s deep market knowledge, to get more market strength, Telenor is doing so.

Here in case of Telenor, differentiation and focused strategies are implemented. While regional marketing strategies in different areas of product, price, place and promotion are used as general and regionalization process may affect these strategies.

In practice Telenor adopted a combination of standardization and adaptation of the various elements of the marketing management programs and processes by globalizing some elements and localizing others. In broad terms it is possible to categories Telenor’s strategic development as multi-domestic, global or regional, a third alternative strategy in which separate, but largely standardized marketing strategies are implemented in different regions of the world.

Comparative to multi-domestic strategy, global or more standardized strategy is much better in Nordic region according to the interviewee because countries are small and global strategy becomes more effective when differences between countries are small.

4.4.1 Telenor’s Product Strategy and Regionalization

Company knows that customers expect bundle of benefits from specific products and services and Telenor has full confidence that, their products have certain characteristics which are satisfying the customers in the area. The nature of the Telenor’s products is communication and customer care is necessary to
get a position so Telenor is doing its best for it and that is its standardized products and services in the region.

On the other hand it was not much crucial for the company that open and broad market requires some extra qualities in their product as they deliver infrastructure having quality which may differ from market to market and country to country. The exploration of new markets affects the components of the product (Quality, Design, Branding and Packaging) but in case of Telenor it was not much relevant as they already dealing with the enriched components of their products.

A comprehensive knowledge of all the markets and their trends is quite important for Telenor and for the purchase or a usage service; Telenor has always its eye on the changing behavior and environment of the different markets. That's why innovation and product development according to the customer demands in different regions forced the company to take attention about their product line. Free movement of labor across the borders is a characteristic of regionalism and this thing brings the concept of cheap outsourcing or cheap labor which indirectly affects the development of the product (Hettne, 1999) but as well as Telenor case is concerned its not really much important because Telenor has local employment due to the nature of its business.

Because of the open borders, the visible attention is given by governments, business and customers in environmental issues which lead to new regulations on the disposal of packaging waste and the control of harmful emissions (Hettne, 1999). In the case of Telenor, due to the nature of its business, this issue was not much concerned but we found, the Telenor is careful about these issues. Environmental care and customer’s satisfaction are taken into the account at the time of development of effective product policy.

Besides it, company's customers, in the more open and broad market, come with different ethical values and cultural restrictions and Telenor has great care for it. It has one policy on ethical issue and that is standardized code of conduct. It means company develops its products and services by taking care this aspect as well. As mentioned earlier that company acts locally but thinks globally so Telenor’s products and services at local level or across the borders have certain standards so there was not much need to invest further attention and efforts for certain issues like big market standards, packaging, labeling and product liability etc.

4.4.2 Telenor’s Price Strategy and Regionalization

Establishing a pricing strategy is one of the most vital decisions to be made. Charge too little and you will have neither sufficient profit margin nor proper scope for undertaking promotional activities. Charge too much you are
likely to limit the size of your target market may leave yourself vulnerable to competition (Euro Marketing).

Open markets attracts competitors and then price competition occurs which imposes a pressure on the pricing policy of the company. In the case of Telenor same thing happened and they based their price strategy on competition but on the other side the company claimed that its price strategy is very nationally. Perhaps it means they are taking care on the local level of a market and competition environment. Open market where there is a free movement of factors of production and more chances of harsh competition, there is also more demand which can directly affect the price strategy of Telenor. More demand has higher impact on the price strategy of the company at the local level. Being a nationally based but acting internationally, linking price to positioning is one of the keys to success for the regional market and Telenor got advantage in this aspect.

There are a lot of factors like taxation, value added tax, retail or customer price levels, dealer or distributor price or discount structures, representative’s commission, sales force cost and direct sales cost(allowances etc) affects the normal price strategy of an international company in a more open and wide market. Telenor has experienced all these factors and their price strategies which are formulated locally are affected by these factors.

4.4.3 Telenor’s Place/Distribution Strategy and Regionalization

Place strategies can be different from business to business as products are distributed and delivered while services are rendered. In the case of business to business, positioning strategy can be different while in the case of business to consumer it may differ from the other one (Cateora, 2003 ). Because Telenor is not selling commodities but developing infrastructures in different markets across the borders so its place strategy can be different from the other businesses.

If direct selling is not possible, as in the case of Telenor, other available alternatives are chosen by Telenor like establishing a sales office, appointment of a sole distributor and hiring a sales agent. In this aspect, Telenor designed its distribution strategies in the cross border markets to some extent similar to its competitors as they are already doing and then it was determined by the company whether it was proving effective.

Regionalization affected the positioning strategy of the company but it couldn’t force the company towards repositioning though company became more international by occupying more market place through acquisitions and introducing new and more developed infrastructure. Because Telenor is also national in its products and services and to some extent different from the other businesses so there was no need of extensive distribution and open borders facilitated Telenor to some extent in this regard.
Open borders give a number of alternatives for position the products and Telenor is using different distribution channels which vary from market to market and country to country. As Telenor is involved in telecommunication business so usually it doesn’t involve in physical distribution but it has the partnership strategy and on the local level, shops and customer care centers are used as place strategy.

4.4.4 Telenor’s Promotion Strategy and Regionalization

It is too much important for a company which is going to cross the border, to be able to control how the product is presented to the customer. The way, product is presented, perceived by the customer. For this purpose Telenor adopted a trans-border approach to satisfy the needs of each type across the borders. The company developed a standardized promotional package which is sufficiently flexible with the different ways in different cultures and norms. Besides it, that package is also flexible in such a way, in which subsidiaries can develop their own marketing positioning and related promotional strategy. Because Telenor has a standardized promotional package through out the market, so their products and services are promoted across the borders easily without any big change.

In open market, brand management is a difficult task but company adopted trans-border strategy for the easiness of their end consumers and they used different brand names in different markets but with single logo at all, like logo is same in all markets but brand is Telenor in Norway while Sonofone in Denmark. It means they have not the same brand strategy in all the markets and their brands have not the same positioning, personality, role and history.

In promotion, while extending the business activities across the borders, creating awareness about the company, its products and establishing the product’s reputation and image usually require extra efforts (Bearden, 2001) but in case of Telenor it was not much crucial due to its standardized strategies. But there is a stage in the business, when company may have to redesign its promotional materials and Telenor did it in different regions like Asia and Europe. Another important factor, which can be crucial for a company, at the time of the development of a promotion strategy, is the cultural traditions and certain restrictions imposed by the state authorities and this factor can create barriers to the implementation of a unified marketing strategy. So Telenor did extensive research before the implementation of their promotional strategy across the borders and they got success.
5. Analysis

In this chapter, the analysis of the theoretical and empirical studies will be performed. The analysis is conducted by comparing the theoretical data to the empirical data.

5.1 Regionalization Process

On the level of the region, the basic dimension is homogenization, the elimination of extremes, in terms of culture, security, economic policies and political system. Because we are talking here about business and a company, in this regard, regionalization becomes a very attractive phenomenon where company can easily operates its business across the borders with minimum entry barriers and easy legislation. Where, there are fewer restrictions in the free movement of the factors of the production and a company can involve in regional business activities smoothly.

One of the most significant developments in global marketing strategy is how firms respond to the rise of the regional trading blocs (Hettne). For Telenor regional market became a bright way of success as it provided a lot of opportunities to the business. The recent acquisition of Vodafone in Sweden by Telenor indicates that Telenor is changing its regional strategy as acquisition strategy has a worth in the business world and to adopt it, its highly profitable but risky decision. Telenor's response to regionalization is positive and after deep screening of the open internal market, they have invested to get competitive advantage.

Even in global industries, company’s strategies are more regionally focused. For many companies regionalization represents a more manageable compromise between the extremes of global standardization or multi-domestic strategies (Bearden). Our experience in Telenor shows that when it entered in the regional market, it has to change its strategic plan to fulfill the demands of the changing business environment and we can judge that, its regional strategies lie between the standardization and adaptation.

In case of Telenor, due to the nature of its business activities, it is generally not involved in exporting something, that’s why its entry mode is not like medium and small sized firms. During our study, when we conducted interview with Telenor’s lady, we found that one answer by the interviewee was repeated for many questions and that was “We are national or we are working nationally “. This was further explained that, Telenor is not working only in Nordic region but also in Asia and other European countries as well. So our way of business depends upon the market and country. It means, company adopts
those strategies which become more suitable as well as profitable for the company and this may vary from country to country and market to market.

5.2 Conceptual Model and Empirical Findings

Our study indicates that company’s marketing mix decisions and strategies are influenced by a lot of variables. It has become very clear in this study that Telenor which is a giant company in telecommunication sector in the Nordic Region is influenced by the variables mentioned in our conceptual model.

5.2.1 Variables and Their impact

Countries in Nordic Region are too small with respect to population and their local market is less supportive to those activities that are subject to large economies of scale. Regional cooperation offers a way to overcome the disadvantages of smallness, by providing resources or combining markets because usually small domestic markets make it difficult to produce profitably goods or services that are subject to increasing returns to scale.

The other variable which we mentioned in the model was market integration or enlargement. Market openness allowed the company to exploit economies of scale more fully. In a market of a given size there is a tradeoff between scale economies and competition. On the other hand, due to market expansion, company has to adopt the more competitive marketing mix strategies. If firms are larger, then there are fewer of them and the market is less competitive. Besides it, regional economic integration provided a broad market for Telenor by pooling resources from different markets. Thus the company is enjoying its presence in the region as it overcame the disadvantage of the smallness of the market by more liberalized market and fair operating environment.

Nordic Region combined the markets which reduced the monopolistic behavior of the firm in the region and forced the company to change its strategies to compete effectively in the market. On the other hand, it provided an enlarged market to exploit more sources and more gains.

It is clear from our findings that removal of trade barriers played an important role for the company to be a successful giant in the region as separate national markets became a big regional market due to the less barriers and this factor insisted the company to adopt the foreign direct investment strategy for its expansion which remained successful in two regional markets, Sweden and Denmark.

As we mentioned in the model that competition can be considered an important variable in this aspect and we found in our research that open borders
increased competition among the firms which became a nice opportunity for the giants in the region and Telenor is one among them which perceived this competition as great opportunity. Regional integration makes markets more competitive and intense competition induces the companies to cut prices, improve the product attributes, rethink about promotional activities and make betterment in the distribution strategies and same we found in our selected company.

The open market introduced more simplification and in some cases abolition of intra-community border controls. This replaced paperwork with easy legislation and made flexible the movement of factors of production across the borders. Now there are no or less delays at borders and minimum legal hindrances which allowed the company to be more efficient in market. Another thing which we found, is the choices, available for a company to enter in the regional market and this is also a big opportunity for the firms that they can easily adopt the entry mode strategy according to their worth.

One of the strengths and opportunities is the regional approach to liberalization which makes easier to handle the tough issues and we can say that favorable operating environment pulled the company to engage in cross border business activities.

Still there is issue of extra costs which can directly or indirectly influence the whole marketing mix decisions and strategies of the company because business activities across the borders encounters many real costs like delay, paperwork, recertification and verification of products according to different cultural and environmental values. But in Nordic Region due to EU and EEA, certain procedures are implemented to cut these costs and Telenor is enjoying this in the region.

On the other hand there are certain issues related with product standards but due to harmonization and mutual recognition it became easy to resolve certain issues related with marketing mix of the companies and these are discussed in detail in the following part.

5.2.2 Strategic Planning Process (Marketing Mix)

According to Bearden (2001), Strategic planning requires a nice combination of strategies with products and other corporate resources. It requires the involvement of fair execution of strategical plan from different functions like marketing, production, finance, distribution and others. For strategy formulation, there is a variety of decisions which should be there before its implementation. Where right entry mode strategy is necessary, there is also a need of appropriate product-market combination. Then other marketing mix elements should be given importance because these elements can be the backbone for the business success.
Our study of the company indicates that company followed the same way and involved in different stages of the process, so to follow the all steps of the process is not necessary.

5.2.3 Telenor’s product Strategy

To get the real fruits of more open market at regional level requires the satisfaction of the demands of the target market and this satisfaction can only be achieved if the product or service offered in the market is suitable and acceptable for its purpose and this can be obtained by adopting a regional product strategy suitable for company and the market as well.

Telenor’s study indicates that it is acting quite on this concept that, in order to be more competitive in the world market, firms should shift their emphasis from local customized products to globally standardized products that are advanced, functional, reliable and low priced. But here low priced strategy will be to compromise and later on due to its quality, Telenor’s low price strategy takes shift from low to high but competitive.

Buzzel (1968) argued that product standardization has different benefits (a) economies of scale, (b) faster accumulation of learning experience and (c) reduced costs of design modification. In the regional open market, Telenor is taking the fruit of this by adopting the product standardization but the situation can be different in other markets. The company used a multi domestic strategy to gain competitive advantage in its target markets. A key factor in the strategy is the encouragement of senior managers to be entrepreneurial in responding to local customer needs, product quality and customer services.

Telenor’s decision to standardize or adapt its products is based on cost/benefit analysis of what they believe the implications of adaptation and standardization are for profitability and market share. According to Doole (2000) in normal circumstances, the cost of adaptation would be expected to be greater than the cost of successful standardization. Telenor believes in long term advantages and not in satisfaction of immediate demand, that’s why they continue the exposure to the standardized products and services which leads them to greater market share in the longer term.

Our research shows that there are three factors which enforced the company towards more standardized strategy and these are illustrated in figure below. Doole (2001).

- Homogeneity of markets
- Increase in number of regionalizing firms
- Identifiable international consumer segments
Summarizing it, regionalization forced the company to rethink about its strategies towards product, to be more competitive in the open market.

5.2.4 Telenor’s Price Strategy

Pricing across the borders is comparatively difficult from other decisions though it is believed that pricing is the most flexible and controllable marketing mix element. Companies operating in different markets experience extraordinarily difference across the borders. This can be due to the exchange rate difference and other barriers. But in our study, this matter is not much sensitive because of psychic distance factor. Cultural environment and a geographical neighborhood influence the pricing policy of Telenor. On the other hand, being a non member of European Union, it can be totally opposite of the general strategies adopted by the companies located in European Union.

Telenor’s pricing policy is influenced by different factors among them five are much important (Bearden, 2001) and they are indicated below.

- Market survival
- Sales growth
- Market position
- Maximization of Profits
- Maintenance of product’s quality

Though lower price is considered a suitable policy but in case of Telenor, it is affected due to regionalization but not so much but competition factor is given special consideration before development of price strategy. That’s why Telenor has high price strategy due to high quality products and services but at certain level penetration price strategy is adopted to stimulate sales growth.

Here, at this aspect if we talk about the standardization or adaptation strategy of pricing, Telenor follows adaptation policy as well because it allows each local subsidiary or partner to set a price which is considered to be the most suitable for local conditions. On the other hand, lack of control can be the weakness of this strategy and it may require some cost for management.

5.2.5 Telenor’s Place Strategy

To manage the foreign channels of distribution is a key area in a company’s efforts to be more competitive in the market. According to (Doole, 2001), as products become more standardized across the world, the ability to compete on customer becomes more vital.
Channels of distributions developed by Telenor follow the cultural traditions of the target market because it is important to understand and manage cultural differences amongst different markets and Telenor has deep analysis of the markets before developing its positioning strategy because cultural differences add to control difficulties. In regional marketing, Telenor is taking advantages of his heavy infrastructural products and its financial worth. In our study, we found that company is adopting those strategies which are not used by the others commonly. To make a huge as well as direct investment in the form of acquisitions and wholly owned subsidiaries is high risky but more profitable decision for Telenor.

Open borders give a number of alternatives for position the products and Telenor is using different distribution channels which vary from market to market and country to country. As Telenor is involved in telecommunication business so usually it doesn’t involve in physical distribution but it has the partnership strategy and on the local level, shops and customer care centers are used as place strategy.

5.2.6 Telenor’s Promotional Strategy

It is quite obvious from the business environment, that there is a rapid increase in competition and markets became mature at the regional level. These factors demand the companies to offer high quality products and services at competitive price level through suitable distribution channel. In addition to its traditional role of promoting products and services, international marketing communications is increasingly used to facilitate the company with an important way of differentiation in open internal market.

According to our findings, there are a variety of promotional tools which are used by Telenor to inform and motivate its valuable consumers in the regional market. The company developed a standardized promotional package which is sufficiently flexible with the different ways in different cultures and norms. Besides it, that package is also flexible in such a way, in which subsidiaries can develop their own marketing positioning and related promotional strategy.

During our study of Telenor as a regional company, we found that the company builds up its promotional strategies with two basic issues. First, the company should have the clear picture of the objectives for regional marketing communication strategy and, second is, how the company can combine the different promotional tools and activities for the higher level of cost effectiveness.

On the other hand Telenor’s regional marketing communication strategy can be adapted because the market structures and distribution channels can be
different from market to market and country to country. However, mostly these factors are not those, which can said to be crucial for the company like Telenor.

Summarizing it, regionalization factor has influenced the Telenor’s promotional part of marketing mix but in all the way it has positive edge for the company and its business throughout the region.

5.3 Alternative Worldwide Strategies

In practice, firms use those strategies which are appropriate to their own situation, and that include different degrees of standardization or adaptation of the various elements of international marketing (Doole, 2001). Same situation we found during our study that to some extent company develops more national strategies which can be easily implemented in the region and to some extent it can vary from market to market and target customers to customers. In general

- Marketing objectives and strategies are more readily standardized than operational marketing decisions. This is quite practical, as open internal market consists of highly growth able business environment which facilitate company to develop more standardized strategical plan.

- Within the marketing mix, products are most easily standardized, promotion less so and distribution and pricing with difficulty. This may have a contradiction over here as standardized promotional package is offered in the region but distribution and pricing are proving so as in general case of business.

- The more operational the decision the more likely it is to be differentiated. But this cannot be confirmed in case of Telenor when it is operating in Nordic region due to several factors but in case of its business in Asia, we can say yes, that more operational the decision the more likely it is to be differentiated.

According to our analysis, Telenor is adopting, at least in the internal open market (Nordic Region), a global strategic orientation, which is quite similar between domestic and foreign market opportunities and developing regional strategies to compete with other regional giants. Regional marketing for Telenor needs to be supportive of some higher objectives than just of exploitation of an overseas market opportunity. Besides it potential contribution to regional benefits should be there and this needs a focus of the company on a long term strategy for the business as a whole and then coordination the strategies of local subsidiaries to support this and this is the realization of current market situation in open market for Telenor.
6. Conclusions

The purpose of this chapter is to summarize the main findings of research and to cover the most important conclusions drawn. At the end of the chapter, suggestions for further research will be presented.

The main purpose of this study and research is to analyze the effects of regionalization or regional trading blocs on the marketing mix strategies of a company that whether the company has to change its already developed strategies at regional level or it implements the same strategies as in local market. This is the age of competition and business environment is changing with the passage of time. To survive in the local as well as regional markets became a question of fact which cannot be neglect. Trade patterns are changing and among them regionalization became visible for the companies.

Being a giant telecommunication company in Nordic Region, Telenor accepted this new trend and make it ready to face its challenges. In this study, we came to know, that there is something which is lying between globalization and internationalization and that is regionalization.

Definitely, at the time of joining foreign markets, especially in competitive environment, company has to respond the new challenges of the business environment and it has to implement that strategical plan which can prove it the reliable enough. It is not limited only to the corporate level, but it covers the very basic business strategies like strategies regarding marketing mix of the company.

During our study we found certain variables which influence the company’s business and company has to think about its marketing mix decisions which can survive even in the more open and broad market and among them the more important were integration of markets, removal of trade barriers, easy legislation and free movement of factors of production.

Through our study, we concluded that, when a company crosses the borders and joins the mature market, it has to rethink about its overall business and sometimes, at certain levels, it may have to even reorganize its business vision and all its basic strategical plans. Though in case of Telenor it was not crucial because of certain aspects like a lot of cultural, business and economic similarities can be found in the Nordic region. That’s why; Telenor has to adopt the most standardized strategical plan for its marketing mix.
7. Further Research

The outcome of this study shows that companies have to respond positively to the new trends in business environment and among them, there is regionalization. However, since our study was limited to a telecommunication company which is dealing in telecommunication products and services as well as provide huge infrastructure to overseas market, so we think that same study should be done in those companies which are operating regionally but with those products, in which physical movement is involved.

We tried our best to get the exposure of such type of companies during our research but couldn’t get a positive response in time, now someone else should go ahead in this direction.

Another issue is, regionalization is studied a lot but perhaps at country and broad economic level. During our literature survey, we found the books filled with internationalization concepts, theories, case studies and such stuff but with few lines on regionalization as company point of view, that’s why mostly, we have to use those strategies which are basically developed for the internationalization process.
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Telenor Nordic

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World Bank Report, World Bank Staff, 2005
Global Economic Prospects 2005, World Bank staff, 2005
Telenor’s Business Report, 2005

Internet Resources

www.iie.com
www.undp.org
www.telenor.com
www.europa.eu
www.stls.frb.org
www.greenfacts.org
www.geographic.org
www.quintcareers.com
http://www.quickmba.com/strategy/global
http://ec.europa.eu/comm/external_relations/eea/index.htm
http://secretariat.efta.int/Web/EuropeanEconomicArea/introduction
APPENDIX 1
INTERVIEW GUIDE (Face to Face Interview)

GENERAL QUESTIONS

1. When the company was founded and what is its ownership structure?

2. After internationalization and globalization, do you think that regionalization or open borders among nations are changing business environment for the companies?

3. If yes, then how you perceive those changes, as opportunities or threats?

4. Whether this change has any direct influence on market activities of your company?

5. Are you currently taking into account the realities of the single market?

6. What marketing strategies would you recommend in order to take advantages of opportunities and minimize the threats?

7. How much important is the" European Market Integration" factor for your company?

8. How does the reduction of physical and technical barriers affect your business?

9. Large markets attract competitors? Is it true in case of Telenor?

10. Who are your main international or local competitors?

11. What competitive changes are taking place in the telecommunication industry?

12. Do you think “increasing economic integration” is a big force from adaptation to standardization?

13. Do European competitors pose a direct threat for your company after the formation of single market, if so how?

14. After EU single market, what are your general business strategies? Is it focused, broad, and differentiation or low price strategy?

15. Are you implementing mass customization strategy or the EU single market forced to change it to mass marketing strategy?
QUESTIONS REGARDING PRODUCT

1. People want bundle of benefits from your products. Do you think your product has certain characteristics which are satisfying the customers in the whole market?

2. Did open market require some extra qualities in your product?

3. Whether the single market affected the components (Quality, Design, Branding and Packaging) of your product?

4. Have you changed your strategies towards Purchase services or Usage services?

5. Do you think that new market forced your company to innovate or introduce a new product according to customer demands?

6. Has single market given you certain product development opportunities like cheap outsourcing or cheap labor?

7. Whether single market affected the Product Life Cycle (Introduction, Growth; Maturity, Decline). If yes then, your strategies?

8. New market forced you to think about increase in the product line or decrease product line?

9. Whether EEA imposed some ethical or cultural restrictions which can affect product strategies?

10. Removal of barriers, technical or others, do you think it opened the door for your company to launch more standardized Euro Products?

11. Whether new market imposed competitive pressures on existing products in the same field? If yes then, are you making more marketing effort to promote them?

12. After the creation of the Single market, whether you have to change the product’s present specification to sell it legally in open market or without any changes you launched it?

13. Have you invested further attention and efforts for your product on the certain issues like broad market standards, packaging, labeling and product liability etc?

14. Do you currently sell the same product throughout Nordic Region? Why or why not?
15. You have to adopt the new product strategies for region? If yes then whether it has the +ve or –ve impact on existing customers in home market?

**PRICE**

1: Open market attracts competitor’s (price competition occurs) and imposes other pressures, weather any effect on price decision?

2: Due to open borders, there are changes within legal environment whether it made price decisions mere complex or easy?

3: Marketers accept that pricing in international markets is difficult? Is there any impact on your pricing strategies due to market integration?

4: Is the EU / EEA market is price sensitive? If yes then whether” penetration pricing” is your best strategy or something else? Like price skimming etc

5: Opens markets, is there any +ve or –ve impact on five C’s of price (Cost, Customers, Competition, Channels of distribution, Compatibility)

6: Though there is deep market integration. Is there any dumping concept in EEA market?

7: Open markets mean more demand, any impact on price strategy due to increase in demand?

8: Researchers say “linking price to positioning is one of the keys to success for EU markets. Do you think it’s true for your company?

9: Do you have the same price strategy for each market in EEA?

**PLACE/POSITION**

1: Open borders affected the positioning strategy of company or you felt necessary to repositioning?

2: A key to marketing convenience products is to obtain extensive distribution. Open borders facilitated you in this regard or not?

3: Can your current product/ service be distributed in other target markets through similar distribution channels?

4: Physical distribution of your goods/ services, is it become easy or complex due to open borders?
5: Different markets became single. Do you feel easiness in terms of positioning of your products or services?

6: Do you think, open borders gave you number of alternatives for position your product like establishment of sales offices, using sale agent etc?

7: Whether open market imposed any extra efforts to take for effective distribution of your product?

PROMOTION

1: Can your current product /service be promoted in other EC countries without any changes to the promotional strategy?

2: Open market forced you to adopt a trans-border approach which will satisfy the needs of each type across the EU?

3: At international level, brand management is a difficult task. Do you think, market integration created easiness for you or made it more complex?

4: Research shows, to promote your product across Europe you need to project the same vision every where. Is it so?

5: Creating awareness about your company and products and establishing the products reputation and image, are you investing extra efforts or adopting single communication strategy due to open borders?

6: Do you have the same brand strategy for each market?

7: For each country, dose your brand have the same positioning, personality, role, history? If not is it manageable?

8: Do you think that you have to redesign all your promotional materials while extending your activities to another country?

9: Really big brands are running pan European Promotions. Are you among them?
APPENDIX 2

INTERVIEW GUIDE (Interview through E-Mail)

1. When was the company founded?

2. What is the ownership structure of the company?

3. How many employees, does your company have?

4. When company engaged in it regional business?

5. Does your company have foreign production?

6. Which form of mode of entry is usually adopted by the company?

7. What is the ranking of your regional markets according to your annual sales?

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of entry</th>
<th>Mode of business</th>
<th>Local representation</th>
<th>Annual sales</th>
</tr>
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<tbody>
<tr>
<td>Norway</td>
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<tr>
<td>Sweden</td>
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<td>Denmark</td>
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8. The factors or variables which are influencing the company’s business decisions.

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