

# Business, marketing and cultural diversity in the balkans

ISSN 1857-9787

UDK: 658.8:334.72]:316.7(497)

Asst. D-r. Natasha Petrovska<sup>1</sup>, Prof. D-r. Biljana Petrovska<sup>2</sup>

1, Faculty of Veterinary Medicine, University "St. Kliment Ohridski"- Bitola  
[n.petrovska@yahoo.com](mailto:n.petrovska@yahoo.com)

2, Faculty of Veterinary Medicine, University "St. Kliment Ohridski"- Bitola  
[biljanamarkovskapetrovska@yahoo.com](mailto:biljanamarkovskapetrovska@yahoo.com)

## Abstract

**Culture and various aspects of culture such as history, religion, education, language, etc. influence how businesses make business decisions, allocate resources, and manage various initiatives. It also affects the functional areas of marketing, sales, and distribution. Cultural diversity permeates every aspect of business, shaping how companies operate and communicate in domestic and foreign markets. Cultural differences are often considered only in terms of consumer bases and target audiences, but they also significantly affect the way a company operates within. Business practices that are acceptable in one country can vary greatly in another.**

**The Balkan Peninsula is a mixture of geographical, historical, political and cultural understandings. The cultural diversity in the Balkans implies a large number of ethnic groups and national cultures that are varied and complex. The diverse culture in the Balkan countries directly affects the production and sales, as well as the marketing activities that companies undertake within the market. The population and their wants and needs dictate the need for a large variety of products and services.**

**This paper presents the cultural diversity, business climate, and multicultural marketing in three countries in the Balkan Peninsula: North Macedonia, Serbia, and Greece.**

***Keywords: cultural diversity, marketing activities, business decisions, sales, products.***

## Introduction

Multicultural marketing is an essential business practice for brands seeking to truly connect with an increasingly diverse audience. It is this audience that wields enormous purchasing power. Connecting with diverse and integrated consumers has become a primary goal for some of the largest consumer brands, with some even dedicating entire departments to fostering relevant conversations within the multicultural marketplace. At a time where personal identities are complicated by nuanced expressions of gender, race, religion, nationality, language, and more, brands are trying to become even more responsive and authentically connect with consumers. Marketing managers need to recognize the importance of diversity in marketing and advertising and how to successfully incorporate it. There is no doubt that diverse consumers appreciate when

well-known and respected members of their communities' associate with or endorse a brand. Creating genuine connections with beloved members of a multicultural community helps foster trust and facilitates brand acceptance.

Culture has a significant impact on the marketing activities used by businesses (Schmalke et al., 2014). The decision of which activities to use in the markets is one of the most important decisions made by the marketing function of the organization. The diversification of culture across the population increases the level of difficulty and uncertainty in formulating marketing decisions. The activities used are framed after a deep and concise research of the cultural aspects of a particular group of people. Each group of customers has different needs according to tradition, customs and income (Danaher et al., 2011).

The current situation in the Balkans reveals the ethnic diversity of this region and the territorial dispersion of ethnic groups. It simultaneously implies great cultural diversity, as well as the dispersion of different national cultures in the Balkan countries. Cultural patterns in the Balkans develop on three levels (Parker, 2011):

- level of elite culture,
- level of mass culture and
- level of traditional folklore, more or less indigenous culture.

Elite culture is created in urban centers, especially those with the highest rank in the hierarchy of urban centers. Therefore, today, although in difficult financial and economic conditions, various cities organize art festivals (film, music, theatre), promote artists in various arts (design, architecture, paintings, music) and revive the tradition of cultural events at the European level. In this cities way try to stay in touch with European centers of greater traditions and greater economic potential. Urban centers are also generators of mass culture, as a means of spreading their wider influence and thereby strengthening the material basis for other forms of culture through tax policy, where this policy is appropriately oriented. The rural environment, which is an important element of the settlement structure, is mainly a consumer of mass culture and a creator of regional or local, in some cases even autochthonous folk culture, especially in regions with a dominant and deeply traditional rural structure.

## **Business, marketing and cultural diversity**

The era of globalization today has led to the expansion and integration of different economies. The integration of economies exposes businesses in economies to a universal cultural marketing mix. Competition among companies in the international market has led to an increase in market research, which improves and maintains the relevance of a business to its target market. The importance of cultural diversity is increasing, thanks to the growth of new and advanced technologies that allow markets to reach a wide range of consumers and customers beyond geographical boundaries. New technologies and marketing communication channels have raised the importance of studying different cultural issues. Different countries have different ways of expressing culture. This can expose businesses to offending people from different cultures when selling their brands in international markets. Businesses must be aware that cultural patterns in different economies influence the promotion and marketing of their products. Consumer choices in different economies depend on the cultural values, traditions and customs of a particular region (Vainionkulma, 2016).

Different aspects of culture influence the marketing and promotional activities of companies. Aspects of culture include history, religion, education, and language. According to Hollensen (2011), the perception of organizational culture has eight components that influence promotional and marketing activities. These components are: religion, technology, language, aesthetics, values and attitudes, cultural norms, education and communal institutions.

The most common religions in different countries of the world are Islam, Christianity, Buddhism, Confucianism and Hinduism. Religion and faith can provide a basis for similarities between different cultures due to the breadth of aspects (Schnalke et al., 2014). Religion can influence the strategies undertaken by the marketing functions of any organization operating in markets.

Advances in knowledge and technical skills are moving in a way that merges traditional ways of working. The marketing function of an organization should take into account the technological advancements of its target market. Technological culture defines the level of knowledge that exists in a particular population and the marketer must analyse that aspect before applying any communication tool.

The key to the culture of any country is the language spoken by its citizens. For an organization whose activities are involved in international marketing, the marketer must learn the languages of the nations whose markets are targeted. It is beneficial for any organization to learn different languages to assist in any growth strategies undertaken across cultural boundaries. This component of culture along with aesthetics includes people's tastes and preferences for music, art, drama, and folklore. Marketers and market promoters need to learn the aural preferences of their target market in order to understand the symbolic meanings of various expressions in art and contemporary art. Different cultures have different melodramatic tastes even in markets that are comparable (Schnalke et al., 2014).

Values and attitudes are elements of society that help people think about what is appropriate or right and distinguish what is not appropriate. Values and attitudes help people think about what is desirable and vital in society. The market, especially in the international market, must take into account the values and attitudes of potential customers and consumers before introducing a product or service.

Norms are derived from attitudes and values. Norms are an accepted, agreed upon, or assumed set of standards for doing things. Most people in a society agree with norms. Norms emerge when a group of people, over a significant period of time, agree on and decide what values are appropriate and inappropriate for their lives. Norms define what people are or are not allowed to do.

Education encompasses the procedure and program for transmitting thoughts, attitudes, knowledge, skills, and training in specific disciplines. The purpose of education is to transmit traditions and norms from generation to generation. Culture is transmitted from generation to generation through education (Little et al., 2014). For marketers, a clear understanding of the education of their customers or potential customers is critical to understanding the exact product that is needed.

Institutions such as government, business, class, or related relationships influence the actions of consumers and customers. These institutions also influence customer-related methods by connecting customers and clients to each other. A successful marketing function in an organization takes into account the institutional connections of the target market.

## **Business, marketing and cultural diversity in North Macedonia and Serbia**

Regional identities are of great importance in North Macedonia. Smaller towns and villages may have distinct folkloric identities that distinguish them from neighbouring provinces. There is a noticeable cultural divide between those who live in urban areas and those who live in the countryside. People from metropolitan areas tend to pay more attention to their personal appearance and material wealth. They usually live in apartments and have a rather globalized lifestyle. Meanwhile, many Macedonians in the mountains and rural areas continue to make do with what grows each season and live in self-made houses. Macedonians are very community-oriented, both in rural and urban areas. Neighbourhood is essential for people's support networks, especially for those whose parents live far away. This is partly because many families would live in the same village or town for generations together. However, it also relates to the collectivist nature of the culture.

In North Macedonia, people usually know all their immediate neighbours and many others in their town. They visit and socialize regularly, often spontaneously. In such close-knit communities, everyone knows each other, and family background implies a lot about a person. This lack of privacy means that word about the family business can quickly get around. Macedonians are careful when seeking support to ensure that their grievances do not become the topic of community gatherings and bring shame to the household name. However, the intimate neighbourhood also provides a sense of belonging and security.

North Macedonia has a small and open economy. The traditional economy is agricultural, but the country is now industrialized and highly integrated into international trade. North Macedonia does business with countries all over the world, so it is necessary to review a few basic rules of etiquette before arriving in the country for meetings and negotiations. The global financial crisis hit North Macedonia at a time when the country was beginning to reap the benefits of its intensive efforts to improve foreign investment since 2006, which resulted in a sharp decline in foreign investment levels in 2009. However, the results in the period 2010-2012 showed signs of recovery, and some large foreign companies began to realize their investment projects in North Macedonia. The next few years will be critical and North Macedonia will have to face a number of challenges in order to build on its reputation as a new and growing investment destination. North Macedonia has developed a highly liberalized foreign trade policy and has signed various bilateral agreements that provide local producers with free access to the European Union and other markets, making North Macedonia a highly competitive production and export platform. North Macedonia offers a stable monetary environment with one of the lowest inflation rates in the region and a stable currency. Investors in North Macedonia benefit from a very favorable tax environment with one of the lowest corporate tax rates in Europe. In addition, North Macedonia has several investment zones with up to 10 years of tax subsidy for corporate profits, employment income, customs duties and more.

North Macedonia has attempted to achieve a high level of foreign trade liberalization in recent years. This has been achieved, in part, as a result of the following:

- Membership in the World Trade Organization since 2003;
- Membership in CEFTA - Free Trade Agreements with Albania, Serbia, Montenegro, Bosnia and Herzegovina;
- Free Trade Agreement with Turkey and Ukraine and with the European Free Trade Associations;
- Stabilization and Association Agreement with the EU since April 2001, which grants Macedonia duty-free access to European markets for most goods (for some goods, full liberalization will be phased in over a period of ten years).

North Macedonia has committed itself to three basic rules of conduct in trade: transparency in laws, equal rights and privileges for foreign and domestic companies and citizens, and treatment of the most diverse countries. The Law on Customs Tariff is fully harmonized with the customs systems introduced by the World Customs Organization and the Combined Nomenclature of the European Union. However, restrictions still apply in relation to: export permits for environmental protection, human health protection, animal and plant protection, protection of historical heritage, trade in military equipment and measures to protect domestic production from a significant increase in imported goods, anti-dumping measures and measures against subsidized import prices.

Over the past years, various governments have successfully reduced fiscal deficits and focused on maintaining low inflation, a stable exchange rate, and low interest rates. While the aforementioned has allowed the development of a stable macroeconomic environment, the country has failed to restart its economic growth. Although positive, the growth rates observed in recent years are still below expectations and lower than those of the most dynamic countries in the region.

Serbia is in transition in many ways, and thanks to this transition, people in the country have different ways of life. Almost a quarter of people revolve around their work in agriculture, as other city officials are day laborers, and a quarter of the working-age population struggles to find work. Similarities between people largely depend on priorities, as family seems to be the reason for work and focus for most individuals. Despite the similar priority, work schedules mean that each individual's lifestyle is quite different. Ethnicity and language continue to play a large role in Serbian culture, especially in terms of identity formation and interactions. In addition, key events in history have influenced the national identity of Serbs. Such events include the occupation of Serbia by the Ottoman Empire, the formation of Yugoslavia, and the achievement of Serbian national independence. Many Serbian customs and traditions are often associated with these significant events from the past. Modern Serbia draws inspiration from around the world while paying homage to the past.

In order to understand the peculiarities of the business culture of Serbian economic entities, it is necessary to highlight several important moments in the development of the Serbian economy (and Serbian society in general). First of all, the process of industrialization in Serbia began relatively slowly and was valued differently in its development, in different historical periods. The industrial culture that developed in Serbia clashed with the values of the ruling agrarian, pre-industrial culture, so after the Second World War it insisted on its accelerated development. Therefore, the process of industrial development in Serbian society was relatively short compared to the industrial tradition of developed Western European societies. In addition to the relatively short duration, this process was valued differently in different periods of the historical development of Serbian society, which was significantly slowed down by the brakes. This affected the characteristics of the business culture in Serbia, which, due to frequent changes, failed to fully develop, which, together with other factors, affected the business and the collapse of many companies. When it comes to business culture in Serbia, three categories of companies should be distinguished (Šljukić, 2014):

- those that were transferred to the ownership of large global (multinational) companies in the process of privatization;
- those who became the property of successful domestic companies in the process of privatization and
- those that are formed and developed "on their own" and compete independently on the market.

In corporations that have become large and successful global companies, a corporate culture has been formed under the influence of these companies. Most often, it has been taken over, or spread from the center of the company to its periphery. On the other hand, some Serbian companies, which were not privatized into large global companies, have tried to develop a corporate culture, but to develop under the influence of the corporate culture of large and successful European and global corporations. The chance for Serbian businessmen (as well as other companies from the "transitional" environment) is in a joint association or association with businessmen from the surrounding area. In this case, it is necessary to establish and intensify the communication of their corporate cultures among themselves, then their corporate cultures with specific national cultures, as well as the corporate cultures of successful global companies.

## **Business, marketing and cultural diversity in Greece**

Greece is a country of great interests and diverse cultures, influenced by its location at the crossroads between East and West and the many occupations of the Greek people throughout history. In general, Greeks are particularly proud of their culture and speak of their country with great passion, feeling that the culture of Greece is a definition of their national and ethnic identity. Traditions, religion, music, language, food and wine are the main components of culture in Greece and are the basis for those who want to visit and understand the country today. There are various aspects that make up Greek culture, such as language, history, geographical location, traditions and customs, religion, music, food, products and much more.

Language is one of the most important elements of Greek culture. Modern Greek is a descendant of the Ancient Greek language and is associated with part of Greece or the Greek border of the Indo-European language. The first written Greek was found on baked clay tablets, in the ruins of the island of Knossos on the island of Crete. Linear A and Linear B are the oldest types of written languages in Greece.

Greece is a country with a very rich history from the Bronze Age to the Classical period, the Roman period, the Ottoman period and much more. It is also known worldwide for many famous people and their actions throughout the centuries. This section offers information about the history of Greece, but also provides information about the meaning of the flag, a list of the most famous archaeological sites, historical monuments and UNESCO sites in Greece.

The traditions in Greece and the Greek islands are either religious in nature or come from paganism. In addition, most of the traditions and festivals that are still followed and celebrated today are religious. Therefore, many Panizza are organized in the country, which are actually religious celebrations of saints, accompanied by traditional music and dancing in the village square. These Panizza are a strong element of Greek culture and are held throughout the year, especially during the summer. Greek music is incredibly diverse due to the creative Greek assimilation of various influences from the eastern and western cultures of Asia and Europe. Music in Greece has a long history dating back to ancient times, during which poetry, dance and music were inseparable and played an important role in ancient Greek daily life and culture.

Greece is a developed country with an open economy that relies heavily on the service sector at 85%. The remaining national economic output comes from the other industrial sector (12.0%) and the agricultural sector (3.0%). Although Greece is a significant producer of agricultural products and fisheries within the European Union, the tourism industry forms the basis of the economy. According to the United Nations World Tourism Organization, Greece is the 7th most visited country in the EU and the 16th in the world. Also, trade exports represent 16.2% of the total capacity in the world. The Greek economy has been in recession since the global financial crisis

in 2008. The current state of the economy is mainly a consequence of the European debt crisis and only through the implementation of serious austerity measures and the benefits of two multi-billion-euro rescue packages has the economy begun to stabilize.

Greek private companies, which are mostly small and medium-sized enterprises and partnerships, are not able to create and maintain strategic marketing plans that are found in the corporate form of business. Therefore, modern strategic marketing practices and theories cannot achieve their optimal level of success in Greece compared to more developed countries in the European Union. For this reason, the owners of such firms are accustomed to personal face-to-face relationships, which they consider to be the best tactic for marketing penetration. In addition, the owners and managers of small and medium-sized enterprises do not consider marketing strategies as a vital component of the work of their organizations. Also, organizational strategic plans are not considered a necessity for the existence and development of small and medium-sized enterprises due to the lack of mentality of their owners and managers, who in most cases are members of the owner's family. It has been observed that some SMEs implement initiatives with limited marketing plans, but the decisions related to such plans are taken haphazardly by the owners or their managers who do not have the expertise to make such decisions (Rivoero et al., 2013). In addition, the underdeveloped business and managerial mentality of the owners and managers of Greek business firms hinders the development of their organizations and the expectations of profitability. This has led to the neglect of the role of strategic marketing initiatives: marketing is limited to mainly monitoring budget expenditures and there is no short-term or long-term plan that focuses on brand awareness.

Foreign and EU corporations are reluctant to do business in Greece due to the unchallenged business mentality of the country's entrepreneurs and managers. In the past, foreign corporations of medium size and large majority have tried to penetrate the Greek economy, but were not successful because Greek SMEs dominate most business organizations, and entry into the Greek market is difficult to achieve (Theodor, 2012). This is why marketing growth and development cannot be achieved through comprehensive strategic management and implementation plans that come from more developed countries (Baker, 2010).

The underdeveloped state of the marketing function in Greece is due to the lack of a corporate form of business because industrialization in the country is limited. Improvements in marketing can occur through the growth of small and medium-sized organizations, the creation of more domestic corporations, allowing the entry of European Union and foreign corporations into the Greek market, the emphasis on marketing programs at colleges and universities, the increase in marketing research and development, the provision of partnerships between colleges/universities and business organizations, and the implementation of effective and efficient monitoring and review of international marketing trends using conventional and electronic media.

## **Conclusion**

The era of globalization today has led to the expansion and integration of different economies. The integration of economies exposes businesses in the economies to a universal cultural marketing mix. Competition between businesses in the international market has led to an increase in market research, which improves and maintains business relevance in the target market. The importance of cultural diversity is increasing, thanks to the growth of new and advanced technologies that allow markets to reach a wide range of consumers and customers beyond geographical borders. Despite the Balkans being a mixed region, there is no clear relationship between cultural diversity and economic performance (Hysa, 2020).

The Balkans have a wide range of cultures. In addition to culture, there are great economic differences between the peoples of the Balkans. The countries of the Balkans are characterized by significant economic diversity in various sectors such as agriculture, forestry, animal husbandry, etc. Due to the long history and unique traditions of the countries, tourism is a significant contributor to the economy in several Balkan countries.

The economic growth of the Balkan countries is moderately increasing with the help of several main drivers such as foreign investments in the field of industrial production. For greater economic growth, it is necessary to implement reforms that should be oriented towards reducing high unemployment rates by creating jobs and promoting youth employment through creativity and innovation as key drivers of economic growth in these countries.

The current situation in the Balkans reveals the ethnic diversity of this region and the territorial dispersion of ethnic groups. This also implies a great cultural diversity, as well as the dispersion of different national cultures in the Balkan countries.

## References

1. A. Vainionkulma, The impact of cultural differences in business-to-business integrated marketing channels, Aalto University School of Business Marketing, Helsinki, 2016
2. B. Pesalj, Competitive advantages of multinational companies: A review of theoretical approaches, 2011
3. E. Hysa, Impact of Cultural Diversity on Western Balkan Countries' Performance, [Journal of Ethnic and Cultural Studies](#), Vol. 7, No. 1, 2020
4. E. Trouki, The Challenge of Cultural Diversity in Greece: Reflections on 'Intercultural Education Schools' (IES) Strategy for Creating Inclusive Learning Environments, Ministry of Education, Lifelong Learning and Religious Affairs, Athens, Greece, 2011
5. Greece: the business growth landscape, Grant Thornton International Business Report, 2015
6. Investing and Doing Business in Serbia, Embassy of the Kingdom of the Netherlands, Belgrade, 2014
7. M. Zečević, Globalni biznis i menadžment, Evropski Univerzitet, Beograd, 2015
8. O. Rivero, C. Albizu, J. Theodore, Marketing In Greece: The Reasons Of Its Underdevelopment, International Business & Economics Research Journal, 2013
9. P. Tobin, Guide to Doing Business and Investing in Macedonia, 2014
10. H. N. Parker, Toward a Definition of Popular Culture, Wesleyan University, 2011
11. Стопанска комора на Македонија, Здружение на земјоделството и прехранбената индустрија, Скопје, 2017
12. Culture & Identity of Serbia, from website: <http://www.safaritheglobe.com/serbia/culture/>
13. Macedonian business culture, from website: [http://businessculture.org/southern-eur\\_op\\_e/former-yugoslav-republic-of-macedonia-fyrom/macedonian-business-culture/](http://businessculture.org/southern-eur_op_e/former-yugoslav-republic-of-macedonia-fyrom/macedonian-business-culture/)

