



A COMPARED ANALYSIS OF THE BUSINESS ENVIRONMENT IN THE EUROPEAN UNION AND THE USA FROM THE MARKETING POINT OF VIEW

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Abstract

The challenges that companies are forced to face are becoming more and more complex, making the global business environment to be highly dynamic. Both the United States and the European Union are two of the most attractive markets in the world each having its own advantages and disadvantages, but offering, at the same time, the maximum chance of success for those companies who understand that a detailed analysis on the business environment is essential. In this context, a holistic view of the environment in which companies operate is no longer considered a luxury, a privilege of the multinational companies, but rather a necessity for development. The partnership between the two entities cannot be ignored, offering in terms of the practice and the theory of marketing, the latest innovations, complex markets and obviously the indisputable advantage of experience.

Key words:

Business environment,
compared marketing,
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1. Introduction

The global economy and the changes it has gone over the years led to situations that seemed impossible a few decades ago. Thus, we are witnessing today the decline - or more correctly the diminishing role of some economic, political or financial conditions, at a global level that have dominated for centuries the evolution in all its aspects, such as the United States, and the rise of others who were not given chance to achieve the level of development that they achieved - like India or China.

Throughout history, however, all major differences economic, social, cultural and political that have existed between different geographical areas of the world, led to the creation of economic and consumption models. These models have influenced the behavior of companies and have dictated the development directions that they have chosen to follow to survive on the market and to maximize profits.

For decades, the world has been 'controlled' and was guided by the lines drawn by the United States, the player with the greatest capacity to influence the world economy and also the most successful model to be followed by any other democracy. The appearance in this context, of the European Union on the world stage has provided a new model of dynamic structure proved to be a strong international competitor.

U.S. have also been and still are the starting point in most strategic areas, dominating the investments in innovation, research and development - basically those areas underlying the progress of society as a whole.

2. The Competition Policy

The European Union's position on the competition has implications at the level of relations with the U.S., especially in the case of mergers that could affect the single market. The merger between General Electric and Honeywell has never occurred since the European Commission objected on the grounds that the strategic decisions of the new organization which would be born, would seriously distort the competitive environment in Europe. Another highly publicized case was the one of the American company Microsoft that has been accused of abuse of dominant position. The case was completed in 2004 by imposing a fine of nearly 500 million and Microsoft was forced to offer consumers the possibility to choose the software the desired at the acquisition of company's products.

Any violation of the treaties on the competition leads, after investigation and after proving it, the imposition of fines designed to penalize and discourage the future engaging in anticompetitive practices. In the case of the European Union, the fines amounts to 10% of

company's turnover of the last year investigated, prior to the indictment.

Despite criticism, the European Union's _ policy concerns and promote a a fair competitive environment, with benefits not only for companies, but in the end, especially for consumers.

In the U.S., the competition legislation is based on a series of laws, including the Sherman Act that still remains important, Clayton Act, Robinson-Patman Act and Federal Trade Commission Act. American policy in the competition field has as the main features (Muşetescu, 2006):

- Penalties apply to individuals engaged in anticompetitive practices, not only to the entities;
- The application of the legislation is not only at government level but also private
- Has a punitive character, meant to discourage anti-competitive behavior;
- The principal organ of government that has the role of implementing the anticompetitive policy is called the Antitrust Office.

The implementation of laws at private level, also, makes that most often, the amount of compensation owed - when they prove the accusations - to grow enormously. The company engaged in a proved anticompetitive practice it can expect reactions including from consumers who have been (directly or indirectly) affected by its actions. In this respect the European Union's point of view is quite clear, considering that a promotion of these practices on the single European market will not lead to a " culture" of competition, but rather to the creation of a " dispute culture" based on the U.S. model.

3. Bilateral Trade

The commercial exchanges between the U.S. and the EU sum a very large percentage in the global economy - about 45% of the global GDP. Every day, goods and services exceeding two billion dollars are traded between the two markets, leading to economic growth, job creation, etc.

Within the commercial activity between the two markets were signed, over time, a series of agreements designed to facilitate procedures for imports / exports. However, with the new challenges arising in the global economy, the need was felt for the evolution of the partnership between the U.S. and EU. Thus, the idea of negotiation and adoption of the largest bilateral agreement in this field that is intended to be innovative, bringing into attention a new approach on tariffs, investment and public procurement and, also trying to bring to a common denominator the important barriers to transatlantic trade, such as a series of regulations and technical standards of products.

The agreement takes into account the harmonization of procedures on three main areas:

3.1. Market Access

Currently, the tariff barriers to transatlantic trade are relatively low, averaging 5.2% for the EU and 3.5% for the U.S., but are intended to reach a level as closer to zero as possible (European Commission).

In the services sector, It aims to open the markets and sectors with high regulation, such as transport, and the maintenance (for the moment) of the levels already negotiated in the other cases.

For the foreign investments is intended them to reach a level of liberalization superior to the one negotiated within various agreements before. Currently, on none of the markets is applied significant restrictions for foreign investment, but, more, they are strongly encouraged and facilitated, starting from the premise that the inflow of foreign capital contributes to increasing GDP, creating jobs and economic growth in general.

The government purchases - in Europe, the turnover of the companies that depend, on running their business, on those purchases is up to 25% of the GDP, creating over 31 million jobs. The opening of this market could have the effect of creating new business opportunities for any company, without discrimination.

3.2. Non-tariff barriers

Non-tariff barriers which affect mostly the commercial exchanges, are meet, usually after customs and takes the most varied forms, such as safety or environmental standards, specific to every market. Currently, the manufacturers are often forced to meet two sets of standards (national market and target market), this supposing quite high additional costs. The main purpose of this agreement is to reduce additional costs while maintaining quality. In this regard, the parties shall seek to align, where possible, or to accept the mutual standards and procedures and develop a compatibility agreement where appropriate.

3.3. Other rules, principles and new ways of global cooperation

Both the U.S. and the EU will continue to support global cooperation in areas such as intellectual property and sustainable development.

Upon completion of negotiations, this agreement will strengthen U.S. and EU positions on the world market and will pave the way for a new stage in the evolution of the global economy.

4. The Liberalization of Markets

The issue of liberalization of an industry or a sector of the economy is an extremely serious one, over time

existing pros and cons, depending on the economic situation, on the market in question and the strategic importance of the industry or sector. In this respect, the differences between the U.S. and the EU are quite high, not from the point of view of the objectives pursued by policies of liberalization, but by the specific legal framework and how it is implemented.

Obviously the whole process is much more difficult for the European Union, the harmonization of national legislation making it extremely difficult in most cases. However, the efforts taken towards building a competitive single market are evident and based on the desire of all Member States to respect the four freedoms on the background which it was originally created.

Obviously, in the case of the European Union, the liberalization of certain sectors of the economy is an impediment to the development of the Single market. The biggest challenges arise in areas such as transport and energy. In addition the policy of social inclusion, unemployment reduction and restrictions elimination on the labor market are given priority.

In the energy field, the policy of the EU considered, since the 1970s, creating a deregulated internal market, based on competitive principles, targeting the sustainable development and the consumer protection. Also, the most important objectives include the improvement of international cooperation and an increase in the awareness of the environmental responsibility (Euractiv, 2008). The awareness that the dependence of the consumption of fossil fuels must be reduced, that there are alternative methods of producing electricity and that a more efficient energy saving is necessary, led to the development of a set of measures that must be adopted by 2020 and aims to:

- A 20% reduction of emissions of greenhouse gases;
- The creation of an internal market for energy, efficient for consumers and producers / traders;
- Saving a percentage of at least 20% of the energy consumption forecasted up to that date;
- The increase by at least 20% of renewable energy sources;
- 10% increase in bio fuels;
- The integration of the energy policy with the agricultural policy and the EU trade policy.

Regarding road transportation, of the infrastructure's development stands out the inequality between different Member States. The 28 member states have more than 5 million kilometers of paved roads, of which 61,600 km are highways and 215,000 km of railways and 41,000 km of waterways (Ministerul Afacerilor Externe, 2011). In order to support the effort to increase the quality of transport at European level it was decided to create 10 Pan-European network linking the main shopping areas of the European Union (Adăscăliței, 2007).

As for Romania, its geographical position makes the transport infrastructure to be of great importance for the whole EU, making, in fact, the connection with the non-EU countries in the vicinity. Therefore, and in the light of trade with other Member States in Central and Western EU, it is particularly important to reduce disparities in the development of transport networks.

Creating jobs is one of the most important objectives of the the European Union, as a whole and for each Member State in particular.

In the field of employment and social affairs, at European level, there is a European strategy that has as main objectives:

- better functioning of the labor market;
- skills development;
- improvement of the quality of jobs and working conditions;
- creating new jobs.

It also aims to reduce the number of people who suffer from poverty, school dropout, increasing the share of higher education graduates etc.

Liberalization policy does not refer to just these areas, however, for the European Union, they are of great importance and represents a step forward in the evolution of the whole EU,. Regarding the U.S. market, the first steps in the liberalization policy were made from 1970-1980 years, in areas such as transport, electricity and telecommunications.

5. Conclusions

Regardless of the degree of similarity or difference between the two markets, the reality is that both the U.S. and the EU will have to deal with accelerated globalization, especially to the raise of new global economic powers like China and India. The economic models that these countries are building their ascent are totally different from the classical ones (they have common points only in certain respects), adapt more quickly to changes occurring in the world and, paradoxically, do not share the European Union's democratic vision or the U.S. one - thing up until recently considered as required to ensure a competitive environment.

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