The current life of human society is characterised by both the extensive qualitative changes and the acceleration of these changes. Said acceleration is, on the one hand, cause, on the contrary, the result of globalisation, providing society with positive and negative effects. Globalisation, described as briefly and accurately as possible, is determined by the growth of transnational corporations and their ever-increasing control over national economies, causing weakening of state functions. With this perspective, it is evident that national competition threatens domestic enterprises, but more often by foreign competition.

The international environment has changed significantly in the last twenty years, providing new opportunities for business and new businesses as well as threats in the international market. International trade and international investment are developing rapidly, giving access to a number of attractive markets in Eastern Europe, China and Russia. (Kucharcikova et al., 2015). Electronics, computers, software, automobiles, cosmetics - these are commodities that have become a global brand. Behind them, there are global companies hidden.

Before a business enterprise decides to enter foreign markets, whether it be by means of sale or direct investment, it must be familiar with the international environment. (Busnainia, Woodall, 2015). It must master the area, criteria and indicators that need to be addressed when analysing the international environment in order to better understand regularities, processes and their ongoing impact on the international market which can significantly affect the success of the business. This is particularly the threat in the form of various trade barriers, whose task is to protect the domestic market from foreign competition.

1. COMPONENTS OF INTERNATIONAL ENVIRONMENT

The ability and readiness of any country to adopt products and services from abroad - from foreign producers - depends on the specific characteristics arising from the national environment of the country with its individual components. The enterprise that decides to enter the foreign or international market needs to know the individual elements of the country’s national environment. According to Hraskova and Bartosova (2014), managers of this enterprise are obliged to recognize the attributes that the component exhibits and that provides an idea of how it works. The management must identify factors that have an impact on the components, and it is not less important to know the sources that will provide these attributes.

According to Janoskova and Král (2012), an essential part of the analysis of the international environment includes a classification of attributes that this environment shows in terms of societal standards of the country. The classification results in the description of the following international environment components:

- political and legal environment,
- economic environment,
- socio-cultural environment,
- technological environment.

1.1. Political and Legal Environment

This environment presents a summary of the attributes that characterise the country in terms of its political stability and legal environment in which it is located if it decides to do business in this country. Characteristics of the political and legal environment are generally set by laws that require or prohibit certain activities, and by regulations (ordinances and decrees) that specify and interpret laws. The political environment is made up by the government, government agencies and interest groups that influence individuals or their organisations in each society.

According to Koller (2007), the enterprise that wants to do business in the country needs to be familiar with at least four political and legal factors affecting its choice of a foreign country. These include:

- political stability: the exchange frequency of governments, sometimes in violent form, frequent changes in the attitude of the government and ministries affecting the state legislation (protection of private property, transfer of property, discrimination in selling real estate, taxation policy, etc.), the severity of the impact of interest groups, movements and organisations on country's policy making, the presence of political or ethnic unrest, potential military conflict, etc.,
- government bureaucracy: the efficiency and flexibility of the government system, its decision-making and executive units,
- attitude towards the importation: the attitude of the government towards foreign entrepreneurs, towards foreign importers. Some countries create fair conditions for foreign importers and...
investors, others, on the other hand, introduce discriminatory import quotas, currency restrictions or eliminate the possible presence of foreigners in the management of enterprises.

- **monetary measures**: changes in national currency exchange rates, the opportunity to sell using a world currency or using the national currency of the seller. If these options are not provided, the enterprise (importer) might find it interesting to conduct countertrade. The countertrade can be implemented by means of barter when the payment of product sale is carried out in the form of another product or products. Another form of countertrade can be counter purchase. The sellers receive payment in money, agreeing, however, to spend it on the purchase of certain goods at a certain time under the agreement in the country. Countertrade can also be carried out in the form of repurchase. The enterprise will provide the given country with technology, managerial know-how, etc. Later, the payment will be made in the form of products implemented on the basis of the technology or know-how.

Stable political and legal environment encourage enterprises to export and invest, on the other hand, unstable political environment isolates the country, discouraging exporters and investors.

### 1.2. Economic Environment

This environment presents a summary of the attributes that characterise the country in terms of its economic situation, its indebtedness or, on the other hand, solvency, its benevolence or restrictions to foreign entrepreneurs, etc.

Marketing managers of enterprises that have decided to export or invest in a foreign market must necessarily know the economic background of the latter. Kotler says that there are two most important factors that the enterprise need to know prior to the foreign market entry: the industrial structure of the country and income distribution. The industrial structure of the country can actually affect customer needs, their revenue and unemployment rate. According to Kotler, there are four types of industrial structure:

- agrarian economy,
- export-based economy,
- industrialising economy,
- industrial economy.

### Agrarian Economy

Agrarian economy is characterised by a high share of agriculture to the national economy. The population is engaged in rather a simple land management, the majority of its production is to satisfy their needs, with the rest being exchanged for basic products and services. In such a country, there are very few market opportunities. The inhabitants are not demanding, their income is low and they have very few jobs.

### Export-based economy

Export-based economy is an industrial structure, where a high ratio of revenues to the state budget passes come from business in the extraction and export of raw materials from the country. The country can afford it because it is rich in one or more natural ingredients. The industry is unilaterally focused on the mining industry and the majority of jobs can be found here. Among market opportunities in this country, we can mention the demand for mining machinery, heavy transport vehicles, advanced technology and managerial know-how in the field of extraction of raw materials. There is a presumption of the existence of a low social class with very low incomes, and also rich social classes with high incomes which own large businesses, thus being the source of the existence of demand for luxury goods.

### Industrialising Economy

Industrialising economy is an industrial structure in which ca. ¼ of the economy consists of industrial production awakening the potential for industrialisation. For such a trend in the country what is important is the import of metals, steel, machinery, chemical products, textiles and raw materials or intermediate products, which are not finished products such as cars, clothes, etc. Industrialisation is the reason for the emergence of new entrepreneurial class, as well as of the rapidly expanding middle class. The population of the country witnesses the increase in the potential for employment, higher income potential and claims and demands potential. The population of the growing income potential are prone to possess everything new, modern, something that they could not afford, so among market opportunities for companies entering this market there are mainly technical and electronics news, fashion, gastronomy, etc.

### Industrial Economy

Industrial economy is characterised by strongly developed industry, the existence of large enterprises with a transnational character. These countries are major exporters of capital and consumer goods, trading with each other. They also deal with other types of economies, especially in exchange for raw materials and semi-manufactured goods. The advanced industry in the country allows sufficient job opportunities in the country, with the largest ratio coming from the middle class. The latter has incomes high enough to constitute a source of demand for all kinds of goods. As for industrial structures, the industrial structure is mostly prone to handle market opportunities.

### 1.3. Socio-cultural Environment

This environment is characterised by attributes such as experiencing and behaviour of individuals and groups that are affected by objective factors (socio-economic, geographic, ethnic and religious) and subjective factors (emotional and demographic), the influence of objective factors resulting in the human experiencing and behaviour, and subjective factors specifying experiencing and behaviour.

(Hooghiemstra, 2007)

Human experiences behaviour determines the attitudes and preferences to supply of the market in a particular country. Thus, this determines the attitudes to offer provided by the enterprise which decides to operate on the market of a foreign country. Human behaviour and experience might be regarded as a determiner of customer behaviour. Basic components of socio-cultural environment are:

- socioeconomic factors,
- geographical factors,
- national factors,
- religious factors,
- emotional factors,
- demographic factors.

### Socioeconomic Factors

Socioeconomic factors cause that consumer behaviour is different. This differs according to the customer being part of a particular social class. Differentiation of the population into social classes is the object of study of social stratification. According Hradiska and Sulek (1999) it is true that "the classes and castes differ in structure and, to a certain extent, in the quantity of consumption." The think that the behaviour of classes is, in terms of marketing experience, affected by specific life values, lifestyles, demands for living, food and clothing, leisure time activities, and preferences regarding watching media. In essence, the social stratification divides the
population according to the purchasing power and the structure of expenditure.

**Geographical Factors**

Geographical factors affect experiencing and behaviour of inhabitants of the country resulting from environment and nature of the country. Experiencing and behaviour determine consumer behaviour. Eventually, we can say that according to geographical factors, shown by the environment in a given country we can assume the purchasing behaviour of potential customers in a particular foreign market. It is also possible to ascertain demands of investments addressed in the country where the geographical conditions and climate are extreme. First of all, the geographical factors include: geographical location of the country, the climate, the cleanliness of the environment, availability of raw materials and energy in nature, waters, fauna and flora of the country, the weather cycle, the occurrence of natural phenomena, population density, distances between populated areas, distance of residential areas from industrial zones, composition of food and its style, etc. These factors shape the customer, for example, their relationship to recyclable packaging, to the amount of single purchases, to food products for seasonal clothes, to energy and natural resources saving, and ultimately to the company that embodies the idea of customer - polluter of the environment as potential source industrial disasters.

**National Factors**

National factors affect considerably customer behaviour, trade negotiations and, ultimately, business conditions in the international environment. Ever before has the influence of national factors translated into the level of civilised behaviour that is part of the culture of the nation. Therefore, there is a direct connection between national and cultural factors. The impact of national factors on the experiencing and behaviour of an individual is nowadays largely eliminated due to the migration of population for political and economic reasons. Globalisation of production and trade blurs the differences between the cultures of nations. It is, nonetheless, competitively advantageous for the enterprise doing business in foreign markets in the country to understand and accept features and elements of the culture of one or more nations in the area where it directs its marketing activities.

**Religious Factors:**

Atheism or religious affiliation is reflected in the worldview and lifestyle of an individual. Prior to foreign market entry, it is essential for the marketing managers to have the information, inter alia, on the existence of religious influences connected to Christian religions, Islam, Hinduism, Buddhism and Judaism, as these are most common, but also on the existence of other religions. The population in the country accepts these influences in an orthodox or liberal manner. These can, for example, influence social behaviour to a great extent.

**Emotional Factors:**

Up to now, the factors listed were part of the rational factors that whose influence can be seen thanks to many years of experience. The observation allows identifying. As part of a deeper analysis, however, we managed quite successfully to identify the irrational, i.e. emotional, consumer behaviour. Using psychographic and behavioural criteria, it was possible to divide consumers into groups where customers share almost the same behaviour. Besides social stratification, international marketing finds it important, based on psychographic criteria, to divide the potential customers into groups that exhibit certain specific behaviour of their members in situations of trade negotiations and business behaviour resulting from human activities (work, hobbies, entertainment, sports, holiday), the value system of people (health, home, food, employment, fashion), the views on important areas of social life (politics, economy, environmental protection) and the demographic characteristics (age, sex, education, income, etc.). In principle, psychographic criteria include in particular the personal traits of consumers.

**Demographic Factors**

Demographic factors are those that can be quantified easily. These include in particular: age, sex, place of residence, as well as education, occupation, family size, household income, but we have already partially analysed them the group of social factors, therefore, in the context of demographic factors we will provide a description concerning age and sex.

1.4. **Technological Environment**

This environment presents a summary of the attributes that characterise the country in terms of the level of development of science and research, education, modernisation of production and service provision. The technological environment has the greatest impact on the modernisation of life of human society. It is a component of the international environment which is subject to the most intensive changes. In both the national environment and the international environment, new technologies create new markets and new opportunities. In an international environment, the enterprise is to monitor technological developments in the domestic country and abroad, and decide whether such changes affect the benefits of the product accordingly. Each new technology replaces the old, and if an enterprise does not adjust, there is no way that it can be successful.

Technological environment, as well as the political-legal and economic environment, affects the enterprise in its decision to enter the market of a particular country. The technological environment in a foreign country affects the concept of the marketing mix that will accompany the offer, namely distribution and communication policy of the enterprise. (For the enterprise, it is important to know what the educational level of the population is, and thus the qualifications of the potential employees, what is the level of communication and transport infrastructure of the country, what are the benefits of competing companies for the use of the latest technologies, etc.).

The most important factors that affect the technological environment of the country might include the amount of government and business investments in research and development in education. It is a factor which the enterprise needs to know when deciding to which country it is to direct export or direct investment. The above factors are described in various sources, for example. Eurostat, the European Union, OECD.

Investment in the development of science and technology significantly affect the competitiveness of enterprises in the country and in the whole business environment. The development of science and research influences information and communication infrastructure of the country indirectly, thus creating favourable conditions for business in the country. The largest investors in the development of research and technology include the United States, Japan and China. The Slovak Republic is, with its investment in this area, below the European Union average.

The education level of the population creates important conditions for doing business in the country, particularly in terms of qualifications of potential employees, in terms of the requirements of the population - customers, and in terms of communication with clients.

In addition to the above information, which give a picture of the technological environment of each country, it is necessary to obtain information on the overall business climate in the country, especially
on the risks that the enterprises entering the foreign market must necessarily know.

2. SOURCES OF INFORMATION

The enterprise that has decided to enter the foreign or international market needs to know the individual components of a national milieu, the attributes that are exhibited, providing its draft, the factors influencing the factors, and, of course, to know the source from which it can acquire these attributes.

We just pointed out some sources (EU, OECD, and Eurostat), but there are a number of resources that can be found on the Internet or directly in the country where the enterprise wants to do business. They include: documents of government bodies of state and local authorities, legislation, statistical yearbooks, surveys of banks, of financial and insurance institutions, publications issued by chambers of commerce, trade publications, analyses, forecasts, newspapers, magazines, newsletters, periodicals, means of communication, brochures and catalogues, advertising, information from competitors, research reports, marketing information agencies, business and trade register, etc. (Stefanikova et al., 2015).

The World Bank also monitors and evaluates the quality of the business environment in different countries, using its own report "Doing Business". Criteria for the quality evaluation include: conditions for starting a business, obtaining permission to construct, labour law, registration of property, access to credit, protecting investors, taxation of companies, cross-border trade, enforcement of contracts, closing a business.

Multinational company Coface SA, which among other things (financial advice) deals with the assessment and classification of countries into 7 categories according to their political and economic risks, regularly publishes the inclusion of selected countries according to the aforementioned risks into A1, A2, A3, A4, B, C, D categories.

3. INTERNATIONAL ENVIRONMENT ANALYSIS

According to Misankova and Kociskova (2014), the enterprise entering the foreign market must necessarily know the external and internal environment of the relevant market. It must be able to identify suitable opportunities in the environment as well as threats, and also the internal conditions to enable it to exploit opportunities.

Opportunities and threats surrounding the enterprise - an environment which the enterprise enters influence the decision upon establishing marketing objectives, marketing strategies, the choice of product, price, and method of making it available to customers, etc.

The national marketing has a reliable method for identifying the business environment and identifying the strengths and weaknesses - SWOT analysis. The SWOT analysis is to identify the attributes of the external environment (threats and opportunities) and attributes of the internal business environment (strengths and weaknesses).

Analysis of the international environment will point out the attributes of the external environment. It will allow for the first part of SWOT analysis - identifying threats and opportunities in the business environment.

Both the national environment and the international environment - external environment comprises two components: macro-environment and micro-environment.

3.1. Macro-environment Analysis

Macro-environment consists of factors affecting business activity which the enterprise cannot control or influence. The enterprise must adapt to them.

To analyse of the macro-environment, the PEST analysis seems its use quite often. It concerns political and legal, economic, socio-cultural and technological components of the international environment.

The essence of PEST analysis is to identify threats and opportunities in the international environment provided by the macro-environment.

These threats and opportunities can be identified through the selection of relevant attributes of the individual components of the international environment and their evaluation by the enterprise.

The character of the individual elements of the macro-environment has been discussed in the previous text. Now, we shall discuss the attributes that need to be addressed in the PEST analysis (in sometimes referred to as STEP analysis).

Attributes of Political and Legal Environment

The political and legal environment can be evaluated through recognition of the following attributes: a political system of the state and its stability, the antimonopoly law, the legal documents governing the conditions for doing business - particularly relating to foreign entrepreneurs, legal documents governing the protection of private property, sales and real estate transfer, tax policies the country, the National Bank regulation towards foreign entities, state regulation of selected types of business, and other legislation. An increasing number of specific interest groups or ideological movements have a significant impact on the nature of the environment. These include, for example, political action committees that put pressure on government officials and enterprise management in order to target their attention on the interests of selected groups or the whole society (ecological movements, religious directions), the consumer movement, whose members gather to achieve greater impact on businesses (determine the "fair price", the contents of nutritional values of food, quality production, compliance with warranty conditions, etc.) and business movement when activists gather to gain greater strength with which they can act against the state (associations of carriers, of miners or other groups in various sectors of the economy of the country).

Attributes of Economic Environment

The state of the environment directly affects the ability of companies to achieve a reasonable profit margin. Among its important attributes, we can mention: the percentage of indebtedness of the country, gross domestic product (GDP) per capita, GDP growth rate, inflation rate, unemployment rate, the price of the workforce in the given sector of the economy, the level of interest rates, exchange rates, tax rates and levies, etc..

Socio-cultural Environment Attributes

Socio-cultural environment, albeit indirectly, has an impact on the profit margin of the company, too. Within the project, it is necessary to focus on the demographic environment. Among its most important attributes, we can include: birth rates and population growth, mortality, age structure, the productive age population, the ratio of the population of towns and villages, educational level, income level, the purchasing power of the population, employment and ethnic structure of the population, the religious structure of the population, migration, buying behaviour of selected segments of the population, lifestyle, standard of living and more.
Attributes of the Technical and Environmental Environment

The Scientific and technical environment consists of institutions dealing with scientific research activities, development of new products, and production methods. Also, they include institutions to promote the transfer of new knowledge into practice, public databases and monitoring systems. In this environment, it is essential for the enterprises to analyse the following attributes: speed of technological change, expenditure on research and development (for example, the % of GDP), regulation of technological changes and the level of development of science and technology, structure and level of education in the country, the number of scientific and university workplaces, the level of ICT (internet), the standard of country’s transport infrastructure (motorways), the price of energy, access and exploitation of natural resources, etc.

3.2. Micro-environment Analysis

Micro-environment is the closest external environment of the enterprise. It is the operating environment because the business itself takes part in it. Representatives of micro-environment have a significant influence on the business activities, with the business itself being able to influence and control them. Besides the enterprise, the micro-environment involves other subjects, or groups, such as suppliers, market intermediaries, competitors and the public. Micro-environment is, in an international environment, part of the enterprise environment. It creates a certain relationship with the environment because no enterprise can exist in isolation - whether it be in the national or international environment. The enterprise must be familiar with the subjects and groups of its microenvironment to create relationships, because it is quite often that long-term relationships ensure the guarantee of a long-term existence and development of the enterprise that becomes vulnerable in an international environment.

Suppliers are a group including the institutions, enterprises and organisations in the foreign environment. Their products, services and offers of other provisions enable the enterprise to implement its own business performance. The relation supplier - enterprise shows the same potential for mutual influence. In the international environment, it is important for the company to cooperate with reliable suppliers, as they affect the quality of outputs and price of their supplies as well as compliance with the terms and conditions, thus indirectly affecting market share and goodwill. The enterprise, on the other hand, can decide upon the selection of its suppliers, but it need to comply with the terms and conditions.

Market intermediaries are also institutions, businesses and organisations involved in the successful implementation of products on the market. The relationship between the individual subjects is mutual. Intermediaries affect product sales and product demand by the quality of their services. The enterprise decides upon the cooperation with its agents according to sales results, of course, under the contractual terms. This group of micro-environment is often inevitable to enterprises that have just started to do business in a foreign market. The absence of information and experience is compensated by experience and a business overview of market intermediaries. In the context of market intermediaries, we can identify: - sales intermediaries (retail, wholesale) - physical distribution intermediaries (forwarding agencies, central warehouses, transport companies) - marketing services intermediaries (advertising agencies, marketing research agency) - financial services intermediaries (financial and insurance institutions, firms) - intermediaries providing other services (security contracts). Competitors, in the international environment, comprise a group - - enterprises to which the enterprise must devote significant attention because it is competing for the same customers in the same market, using the offer of the same or similar products. Especially in the international environment, the enterprise must consider whether it is reasonable to struggle with competitors (price, promotion, etc.) because it is rather difficult to foresee the reaction of competitors in a foreign environment.

While the relations with the previous subjects and groups were equivalent and mutually susceptible, in this case, the relationship becomes unequal if and only if one of the subjects is successful. Also, mutual influence may not be of the same strength - stronger enterprise will not adapt.

The public is an important part of micro-environment. In the international environment, it is important to know the public opinion on the enterprise that might be still perceived as a foreign company. The public compares the pros and cons of domestic enterprises with those of foreign companies, being more critical to the former. The public consists of potential customers whom the company wants to reach in the future. It is, therefore, important for the enterprise to act as a benefit to society (in terms of the existence of new jobs, in terms of their safety for the environment, etc.). The public is also comprised of different interest groups and opinion groups that create conditions for the good or bad name of the company.

When analysing the microenvironment, it is, therefore, essential that the enterprise focuses on getting familiar with the subjects and groups that may enter into cooperation, and being able to assess and evaluate the former.

The result of the analysis of the microenvironment in an international environment should be reliable information on competitors and on demand on the relevant market that the company will share with competitors.

A recommended and widespread method of the aforementioned analysis is Porter’s five forces model (Slavik, 2005). The model consists of five forces that are the sources of competition in the sector. The more powerful each force is, the more the enterprise is limited in its competitiveness. Strong competitive force may be considered a threat, weak competitive force, on the other hand, an opportunity.

CONCLUSION

The process of globalisation is a reason for domestic enterprises of global industry to focus their offer to foreign, or the international market. As for beginning, it need not immediately conclude strategic alliances with other companies of the world. Medium and small enterprises can use the Internet as an easy way to start a business in a foreign market to expand their marketing activities as well as to expand the current market.

The successful international marketing strategy strengthens and expands the market shares and the overall position of enterprises in foreign markets, increasing their sales while reducing costs to these enterprises through economies of scale.

Macro-environment and micro-environment analyses allow the enterprise to get information necessary for decision-making process concerning the choice of the optimal international environment as well as to get information needed to determine its position in selected foreign markets which are input to the SWOT analysis.

In this way, knowledge of the relevant environmental factors and adequate analysis of international environment form the basic assumption for effective international marketing in globalized economy.
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International environment analysis – basic assumption for effective international marketing in globalized economy

Paper briefly discussed the importance of international environment analysis. Particular attention was also paid to chosen factors of international environment. Authors subsequently proposed how these factors of international environment should be analyzed.

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