Country Notebook

Entry into Poland
Cultural Analysis

I. Brief discussion of the country’s relevant history

The History of Poland started in the 16th century. With a lack of a strong monarchy allowed Russia, Prussia, and Austria to partition out the country in 1772, 1792, and a third in 1795. For more than a century there was no Polish state, there were only Austrian, Prussian, and Russian sectors. Poland regained his independence as a country in 1918 but later lost it to the Soviet Union and Germany in World War II. The Polish people revolted against foreign dominance throughout the 19th century. Reconstituted in Nov. 1918, when Marshal Josef Pilsudski became chief of state and with Ignace Paderewski as the first prime minister for Poland. In 1926, Pilsudski seized complete power in a coup and ruled dictatorially until his death.

II. Geographical setting
Located in the north-central part of Europe, Poland is the size of the country of New Mexico. Majority the country is a plain with no natural boundaries except the Carpathian Mountains in the south and the Oder and Neisse rivers in the west. The climate is considered to have moderate summers and winters. Winters can be very severe with frequent precipitation. Poland in the summer time can be filled with frequent showers and thundershowers, making the summer months seem non-existence. Poland being located in this region makes Poland’s land area 90% of lowland nature. Poland has over 9,000 lakes that exceed 1 hectare in size, which is equivalent to 2.47 acres or 1000 square meters.

III. Social institutions
A. Family
The Poland outlook on family values and the roles that they play are for the most part similar to that of the Americans values and norms. Both spouses take on the roles of providing for the family when it comes to employment. Generally in the American culture the husband or the men of the house are responsible for being the providing and protecting for the household. The women or the wife’s role in the household is childcare and household chores. Poland’s dynamics of parental roles are just as the same. The men or the husband of the house hold are generally responsible for being the provider and protector, and the wife or women are in charge of running the household. Meaning that they generally do the household chores and childcare and the men assist them with their duties.

B. **Education**

The role in education plays a valuable part in the Poland culture. They view education as an important necessity in life and encourage their children to pursue their schooling. In an article entitled “Poland scores late goals in education” by Bill Hicks talks about how Poland as a nation as arose to new heights with their new accomplishments with international education. A recent test result from the OECDs Program for international Student Assessment(Pisa) results show that Poland ranks 14th for reading which placed them higher than U.S, Sweden, Germany, the UK, and France. With respects to the literacy rate being defined as the ages of 15 and over that can read and write, shows that of 2010 an estimated 99.5% of the total population of Poland can read and write, of that male equal 99.7% and females 99.4%. Dr. Michal Federowicz director of Poland’s Education Research Institute in Warsaw found that in the 1980s many viewed education as not very important, but when democracy finally reached in the 90s the willing to change economic status and eagerness to learn was extraordinary.

C. **Political system**
In 1997 a new constitution was implemented that changed the political structure of Poland. The structure of the government allows the citizens to vote for a new President every five years. The parliament is divided into two segments: the Senate, which has 100 members, and the Sejm, which has 460 members. The Sejm possesses the most power in the parliament. The Sejm holds two thirds of the vote which is the majority. An appointee of Sejm can serve four years. (sejm.gov)

According to the History of Poland, the political parties are, Polish People’s Republic (PRL), Democratic Left Union (SLD), Freedom Union (UW), Polish Populist Party (PSL), and Solidarity Election Alliance (AWS). The stability of the Polish government has been recently successful. The government ensures the freedoms of all citizens. Poland’s basic principle is that there is separation and balance between legislative, executive, and judicial powers for the Republic of Poland (History of Poland). Special taxes in Poland, according to Poland VAT, “The standard rate of VAT is 23% since 2011. There are reduction rates of 8% and 5% on certain food, books, newspapers and the supply of a limited number of other services. Many services are exempt from Polish VAT, such as financial and postal services”. (www.vat.com)

D. Legal system

In 1989 the National Judicial Council was created which consisted of twenty four council members. The National Judicial Council controls the entire judicial system. The Supreme Court was formed to ensure proper and fair judiciary system. In Poland, the Supreme Court is organized into four chambers: criminal, civil, labor and social insurance, and military.”(Country studies). Poland is a code law country which follows a system of written rules. Poland has an office dedicated to patents and trademarks. However, Poland now doubts the unitary patent which would allow the innovations from small businesses to be patented. (Warsaw Business Journal).
E. **Social organizations**

Group behavior in Poland has taken on the culture of western civilization. Ethnic groups in Poland changed after World War II. Germans, Jews, Ukrainians and Belarusians were the leading ethnicity groups in Poland. The working class consisted of the industrial and agricultural workers. The agricultural workers were mostly peasants working on farms. Industrial jobs required minimal education. However, a change in social statuses some industrial workers had two jobs because the agricultural workers were receiving the industrial workers job. (Poland Society)

F. **Business customs and practices**

A firm handshake and eye contact should be used during all encounters. Do not use the person’s first name until given permission to do so. The Polish business atmosphere is very formal. Professional titles are very important. Well qualified individuals are more likely to be accepted and succeed. Business cards should be exchanged. Factual data is needed and any other materials that are relevant to the proceedings. The decision making is based on a hierarchal approach. Upon the final decision a letter will inform the participants of all actions needed.

V. **Religion and aesthetics**

A. Religion and other belief systems

Poland and its religious practices run further back to its historic stomping grounds. To date, Poland has 138 registered churches and religious affiliations. Out of all the different religions out there the Catholic Church is the only one that remains prominent. Catholics make up ninety-five percent of Poland’s population ("Churches and Religious Life in Poland"). Catholicism has four branches, which are Armenian, Byzantine-Ukrainian, Neo-Uniate and Roman Catholic. Out of the four branches of Catholicism the Roman Catholic is the largest. The Roman Catholic Church being a pivotal to its history, Poland would not have existed very long
("Churches and Religious Life in Poland"). Since the beginning Polish people, who are better known as “Poles” for short, were groomed be a part of the Roman Catholic Church. When it comes to religion and the people of Poland it is the most important aspect of one’s life. Other practices of religion by “Poles” are Christianity and a few other religious groups. For example, the second biggest religious organization in Poland is the Autocephalous Orthodox church. The Autocephalous Orthodox Church is composed of churches that govern themselves and consist of 320 priests and 550 thousand laypersons. In addition, most polish people that are a part of the Orthodox Church are members of the Byelorussian minority which is in the Eastern part of the country ("Churches and Religious Life in Poland").

B. Aesthetics

A simplified way of understanding the arts of Poland is to get into the mentality of the Polish people. They experienced horrific events like the tragedy of the Holocaust, which resulted in prison camps, deportations, and executions. All these significant events have been made transparent in Polish art, literature, and film ("Visual Arts"). The social role of art was a difficult challenge for most Polish artists. Polish artists had to fight for artistic freedom and the respect of their art. Art no longer had to be the custodian of the national memory, so it began to transition towards international art forms adding great value to them. This was the route of many interwar groups like the "Polish Formalists”, whose objective was a mixture of Cubism, Fauvism, Expressionism, and local influences of art ("Visual Arts").

The Polish musical landscape has been carefully shaped throughout the 20th century, starting from the beginning of the classical tradition to the more popular genres of jazz, pop, and rock and roll. The greatest focal point of artistic activity towards the creation of an individual musical identity took place during the sixties. “At this time young artists starting out searched
for their own space in literature, film, theatre, the visual arts, popular music and jazz and all made their debuts” ("Music").

One’s country should always have someone or something to represent the integrity, strength, and culture as a whole. The represents White Eagle is that for Poland. The story of The White Eagle begins with three brothers named Rus, Czech, and Lech their mission was to look for a place to settle. On their journey they came upon forest where they spotted a White Eagle arriving to its nest. From that point on they claimed that territory was there’s and they on they build up habitats for their tribes to settle in. (Info Poland)

VI. Living conditions

A. Diet and nutrition

Throughout the day Polish people eat three meals a day. Just like Americans, polish people eat eggs and toast with choice meat for breakfast. Due to the high demand of work output many would rather at work rather of leaving for lunch. They usually pack a snack or small sandwiches and chips that can save them time and money instead of eating out. One of the largest meal polish people have is called “OBiadokalcja”. “OBiadokalcja” is a mixture of supper and dinner. Polish mainly relies heavily on Meat as part of their entree. Sometimes polish people prefer to coat their meats in either flour and fried or hand breaded and seared. “The most typical ingredients used in Polish cuisine are sauerkraut, beetroot, cucumbers (gherkins), sour cream, kohlrabi, mushrooms, sausages and smoked sausage” ("Food").”Bigos” which is a blend of sausage, beef and pork is among one of Poland favorite dishes.

B. Housing

There are two types of housing available for the polish people. The first type of housing which is a privately owned called “Co-operative”. Co-operatives are blocks of flats usually found in urban areas. The second type housing available is in the village’s houses. The village
compared to the cooperatives are better quality housing built from either brick or stone. In addition, the village housing comes equipped with fireproof roofs for safety measures. Since the housing is expensive most poles rent rather than own ("Housing after 1989").

C. Clothing

Fashion in Poland is all influenced by the country’s climate for the most part. There are also many threads of apparel that highlight the various cultures that have left their mark in Poland such as the Germans, Czechs, Russians, Austrians, Romanians, and Lithuanians. Using a combination of these cultural influences Poland has its own unique dress, which can be identified in about sixty costumes. National Dress the Polish have a unique costume created with a variety of bright florescent colors and highly detailed embroidery. You typically see these costumes worn at cultural or special occasions such as weddings where you may see the women in wreath headdresses, but this also varies by region and what cultures have influenced that particular region. Types of clothing worn at work in the Polish business atmosphere have become redundant worldwide and have been mainly influenced by the western culture. Polish people generally partake in the casual dress in the workplace pretty much abiding by similar rules of professional dressing in the west. With one exception, the Polish dress very modest it is inappropriate to over dress displaying power and wealth.

D. Recreation, sports, and other leisure activities

Beautiful beaches, crisp countryside, and beautiful lakes make Poland the outdoorsman dream vacation, which is part of the reason leisure, is becoming a huge part Poland’s economy. Not only is Poland scenically beautiful the diversity makes it comfortable for most and creates something to do for everybody. Art galleries and museums have become a huge part of the Polish culture and musical festivals have become a favorite even hip-hop which is a very
interesting fact stated in a summer issue of XXL magazine. There are several musical and cultural festivals held during the summer time.

Sports are also very popular in Poland. Cycling is one of the country’s most popular pastimes. Boxing and soccer are also very popular spectator and participant sports in the country. Sailing and canoeing are also highly demanded sports in the country. Poland also host many international sporting competitions. Types of sports that are available and in high demand are Gliding, horse riding, kayaking, sailing, off-road, winter sports, fishing, hiking, hunting, volleyball, water sports, and soccer are all available and in high demand in the country. Percentage of income spent on such activities Tom Popielaz of the Polish Translator wrote, “54% of the Polish nation are keen on resting and relaxing so an average of 2% of household incomes are spent on leisure activities”.

E. Social security The CFE (Confederation Fiscale Europennee) breaks down social security in Poland as follows:

“Social security is regulated mainly by the Act of 13 October 1998 on Social Security System and the Act of 17 December 1998 on Retirement Pensions and Disability Pensions from Social Security Fund. National health insurance is governed by the Act of 27 August 2004 on Medical Services Financed from Public Resources. Both social security and health insurance contributions are collected by the Social Security Institution, which then remits health premiums to the National Health Fund and some part of retirement premiums to so called Open Retirement Pension Funds (which, besides Social Security Fund, are a second, private but obligatory pillar of the retirement insurance system”).
Social security in Poland includes retirement, disability, sickness and maternity, and accident insurance premiums. Employees and employers participate in financing retirement and disability premiums.

F. Health care

Healthcare in Poland is operated through state funds. The healthcare system is of good quality and necessary to ensure healthcare to citizens. The medical staff in Poland is well trained and qualified. The state funded healthcare is offered to all citizens and registered long-term residents of the country. Private healthcare is also available in the country.

The country’s healthcare system is state-financed through the National Health Fund (NFZ). All employees are required to contribute to the NFZ. Their contributions are deducted direct from their salaries and the self-employed are required making their own contributions direct to the NFZ. Those covered by the national health insurance system are entitled to free primary health care, specialist out-patient care, hospital treatment, dental treatment and ambulance transport.

VII. Language

The primary language spoken in Poland is Polish. The Polish language is derived from the Lechitic subgroup of West Slavic languages. Nearly 50 million people speak polish worldwide. The official language of Poland is Polish. Polish is spoken by nearly all of its inhabitants in the region. It has the second largest number of speakers among Slavic languages. It is the main representative of the Lechitic branch of the West Slavic languages.
Nearly all Poles speak and write Polish. The Polish adapted the Latin alphabet to allow it to be written. Literature began in the 14th century with written texts in Polish as translations of Latin prayers and sermons. Polish is written in the Roman alphabet with a few letters missing and different pronunciation of a few letters. Dialectal groups of the Polish language are related to geographical regions. The dialectal differences from the original Polish language are not significant. They are mostly based on regional pronunciation and vocabulary changes. There are three main dialects of Polish: Greater Polish, Lesser Polish, and Masovian. In addition, the most noticeable dialects are Silesia, Mazur, Podhale, and Kashubian.

**Executive Summary**

Poland is located in the northern region part Europe, and is the size of New Mexico. The country is majority plain with no natural boundaries except for the Carpathian Mountains. The weather in Poland can be very harsh at times. The winter months in Poland can be very severe with frequent perception. Poland’s summer months consist of frequent showers and thunderstorms. Family values and the roles that they play are for the most part similar to that of the Americans values and norms. Both spouses take on the roles of providing for the family when it comes to employment. Generally in the American culture the husband or the men of the house are responsible for being the providing and protecting for the household. The women or the wives role in the household is childcare and household chores. The men or the husband of the house hold are generally responsible for being the provider and protector, and the wife or women are in charge of running the household. Meaning that they generally do the household chores and childcare and the men assist them with their duties. The role in education plays a valuable part in the Poland culture. They view education as an important necessity in life and encourage their children to pursue their schooling.
The political system in Poland is structured with a President that is elected every five years. Poland also has a parliament which includes the Senate and Sejm. Many political parties exist in Poland majority were created to ensure the freedoms of all citizens. The role of local government depends on the population of a given area. The government has shown stability since a new Constitution was implemented in 1997. Poland is a common law country that “seeks interpretation through the past decisions of higher courts which interpret the same statutes or apply established and customary principles of law to a similar set of facts”. (Cateora, Gilly, & Graham, 2013) Poland has a trademark office which specializes in intellectual property rights.

Polish business atmosphere is very formal. A firm handshake and eye contact should be implemented at the start of the meeting. Maintain a level of respectability during the process only address the individual by his or her last name unless given permission to use their first name. Professional titles are very important. Well qualified individuals are more likely to be accepted and succeed. Factual data is needed to ensure that there is complete honesty among all participants. A hierarchal approach is used during the decision making process. Upon the final decision a letter will inform the participants of all actions needed.

Poland religion is sacred and help shapes the society as a whole. While many polish people practice religion majority of them practice Roman Catholic. Others religious practices included Christianity and a small percentage is Islamic. Poland does not have any radical/terrorist organizations so far. Art has become a very important culture for Poland. In addition, Poland is best recognized for their polish dancing.

Polish have typical breakfast consisted of eggs and toast. They do not really believe in leaving their jobs for lunch breaks; so they pack frozen or prepared foods to save time and
money. The largest meal of the day is “Obiadokalcja” which consist of supper and dinner. Most “poles” live in two types of housing which is co-operatives and village housing. Most polish people live in one family dwelling.

Poland is a very diverse country. Due to its diversity each region in Poland has its own local traditional dress. The traditional dress of each region is influenced by resources, climate, and different cultures. In addition to influence of culture the language of Poland is also influenced. Polish is the official language of Poland. Poland’s diversity is an asset for the country. Poland offers different activities for everyone. Sports are highly popular in the country. Soccer is one of the highly favored sports in the country. With such a diverse population Poland offers state funded health care. The healthcare is offered to all its citizens, in which working citizens are required to contribute. The social security system in Poland covers citizens who are employees and work in the country.

II. Economic Analysis
   I. Introduction

The economy of Poland has recently become successful by becoming a part of the European Union in 2004. Poland was the only country in the European Union to escape the economic recession. If the transportation infrastructure is improved, rural areas are developed and business ventures are complete this could allow Poland’s economic performance to rise significantly. Poland has the opportunity to become a leading country in the European Union and the world if it continues steady growth.

II. Population
   A. Total
The total population of Poland is 38,415,284 as of July 2012. The growth rate for Poland is -0.075% in 2012. The number of live births is 6.42 per (1,000) live births. However, male infant’s deaths occur more than female’s deaths; males 7.12 .deaths per (1,000) live births whereas females deaths are 5.67 per (1,000) live births. “Crude birth rate focuses on the average annual number of births per 1,000 persons in the population at midyear”. Poland’s birthrate is 9.96 births per (1,000) persons. The number of live births can establish if a given country population is healthy. (CIA World Factbook, 2009)

B. Distribution of population

The majority of the population of Poland has the age range of 22- 54 years old with the percentile of 44.3 males account for (8,563,424) while females account for (8,470,745). The next highest percentile is 14.6 the age range from 0 to 14 years old females (2,731,949). The 55 to 64 age range group acquires 14.3 percent males (2, 586,466) and females (2,908,284). The 65 and over is 14 percent males (2,066,066) and females (3,320,760). The 12.7 percentile is acquired by the age group that is 15 to 24 years old males (2,486,571) and females (2,388,318).

The geographic areas in Poland consist of suburban and rural areas. Poland has improved suburban and rural areas by 96 percent and 80 percent of the population respectively. The total improved geographic areas of Poland are 90 percent of the population. However, there are some unimproved areas the suburban account for 4 percent of the population; while rural areas account for 20 percent of the population and the total unimproved areas in Poland is 10%. (CIA World Factbook, 2009) However, according to J. Banski, it is difficult to identify where the suburbs end and the peripheral area begins in a geographical sense. (Banski).
The migration rates and patterns of Poland as of 2012 were -0.47 migrants. Poland is considered a transit country to the West for many migrants. Poland’s postwar history caused one of the biggest emigration flows in the world. Within the European Union Poland was the largest exporter of labor. (Iglicka & Maximilian, 2010). Ethnic groups of Poland are the Polish with 96.7 percent, Germans with 0.4 percent, Belarusian with 0.1 percent, and others are 2.7 percent according to the 2002 census. (CIA Factbook 2009).

III. Economic statistics and activity

A. Gross national product (GNP or GDP)

The gross domestic product (GDP) of Poland as of 2012 is $802 billion and the rate of growth for Poland is 2.4 percent. (CIA Factbook 2009). The final market value of all goods and services should establish a positive gross domestic product value. The gross domestic product is one of the many factors that determine Poland’s health as a country.

B. Personal income per capita

As of 2011 the personal income per capita is $20,600. This can be calculated for individuals, groups of products, and for groups of basic headings. ("OECD Glossary," 2007). The personal income of each country is different because no one country is the same. The same product or service should cost the same no matter the country. Inflation has a major role in the success or demise of Poland. However, Poland was the only country to escape the 2008-2009 recessions which displays the potential of the country.

C. Average family income

In Poland, the average person earns (14, 508) USD a year, which is lower than the OECD average of (22, 387) USD a year. The employment rate is only 59 percent and it is held by the age group 15 to 64 years old. There are more men in the work force than women. The Polish
men people work very long hours. The Polish people understand the importance of education. Men and women are equally educated in Poland. ("Poland how’s life?"). Educational experience helps achieve a greater standard of living.

D. Distribution of wealth

Income classes in Poland consist of agricultural and industrial workers. The agricultural workers were mostly peasants working on farms. Industrial jobs required minimal education. However, a change in social statuses some industrial workers had two jobs because the agricultural workers were receiving the industrial workers job. (Poland Society). There is an enormous gap between the rich and the poor. The top 20 percent of the population attain more than four times as much as the bottom 20 percent. (Iglicka & Maximilian, 2010). The distribution is distorted because the rich continually earn more money than the poor.

E. Minerals and resources

Coal is the most successful mineral resource for Poland. In 1980 total reserves were estimated at 130 billion tons of coal. Large scale mining originated in the Upper Silesia in the nineteenth century. Poland also has an ample amount of lignite located in three districts. Despite the harmful effects of this low quality fuel (lignite) it continues to be used for the production of electricity. (Curtis, 1992). Coal continues to be a successful mineral resource for Poland.

F. Surface transportation

The modes for transportation are heliports, roadways, waterways, railways, and merchant marine. These transportations methods are readily available successful areas of Poland. The railways are the most developed. However, there are areas that need to be improved to ensure the
safety of everyone that is traveling. The usage rates of transportation depend solely on Poland’s economy. Poland has twelve ports six small ports, four medium size ports, and three large ports.

G. Communication systems

When it comes to Poland and communication, Polish people tend to use an array of methods to interact with one another. There are two main types of communication tools that connect people with other people. The first resource is the telephone system. Since introduction emerged in Poland telecommunications has made a big impact in the polish way of life. Home phones with fix landlines services were the way to go. However, due to the modernization of telecommunications Mobile cellular phones have become the primary way of interacting between one other. Mobile Cellular phones have 50.16 million users to date.

The second resource is Broadcast media. Broadcast media can have a variation of parts such television, print media, and the Internet. Poland only showcases two countrywide channels through the state that are supplemented by 16 regional channels and several niche channels as oppose to privately-owned TV networks that has 7 national TV networks and have many premium channels ("World FactBook"). In the country of Poland, it has an estimate of five public networks and a combination of seventeen public and private possessed regional radios stations. In addition, there are seven of the radio stations broadcasting to many cities and private local radio station. When it comes to Internet there are about 22.452 million users in Poland with a host of 13.265 million ("World FactBook").

H. Working conditions

In Poland the employer and employee relationship is governed by the Labor code of 26 June 1974. The Act is a multitude of separate related to various aspects of individual and collective Labor law, forms the basis of polish employment in establishing a relationship among the two
has to be mutually agreed upon with the ending result being an employment contract. Working in Poland has some of the same regulations that of the United States of America such as working 8-hour shifts, working 40 hours with in five day time span. In addition, how employees are to take a thirty minute unpaid lunch break. Poland has workers who are skilled that are willing to work for half of what US wages are.

Poland has a lower minimum wage rate that of the US but has some of the same benefits. Minimum wage of most polish workers are about 1500 zlotys, which is it has plans on jumping to 1600 zlotys by this Fall 2013. The hard workers of Poland are offered many benefits such as vacation and sick time, life insurance, health care and Old-Age Pension insurance. In addition, some extra benefits such as stock with in that company are offered at a lower percentage rate than the public.

I. Principal industries

There are a number of industries that has made up Poland’s economy. These Industries such as Shipbuilding, Iron steel, Coal mining, Machine building, Food processing chemicals, Glass, and textiles agriculture. Out of the 17.92 million poles that are in the work force about 17.4% actually work in Agriculture, 29.2 percent work in Industrial, and 53.4 percent are in services ("World FactBook"). They grow products such as whole grains, fruits, vegetables, and meats that represent about four percent of the GDP in the agriculture sector of Poland ("World FactBook"). As mining and manufacturing combined makes up 19.3 percent of the country’s GDP. Transportation only adds 6.2 percent to GDP as well as construction that contribute 5.7 percent to the country’s GDP. Poland’s government has majority ownership of the countries industries such as the infrastructure, transportation and the financial institutions ("World FactBook").

J. Foreign investment
There are many opportunities for investors from other countries to invest in Poland. Assistance with investing is why Palilz was created, which is a governmental agency that helps investors who are interested in expanding into international markets. Incentives for investment by Poland officials invite investors to locate their business in Special Economic Zones (SEZ) while offering tax exemptions, and many other incentives. (Poland Invest). Any industry can benefit by investing in Poland.

K. International trade statistics

Poland exports gross about 192.3 million in revenue in 2012. Majority of the highest-valued products exported are Machinery and Transport Equipment, Intermediate Manufactured Goods, Miscellaneous Manufactured Goods, and last but not least Food and Live Animals ("World FactBook"). Products like cars, furniture, clothes and coals. Some of Poland’s trading partners, starting from most significant to less significant, are as follows: Germany, UK, Czech Republic, France, Italy, Netherlands, and Russia. In 2009 there was a worldwide recession that slowed down the number of exports distributed internationally ("World FactBook"). Poland grossed about 206.5 billion in revenue alone ("World FactBook"). Most of the products that were imported are different parts of cars, crude oil, pharmaceutical’s supplies, and computers. Poland imports 28.7 percent of its products from Germany, 10.3 from Russia, 5.9 percent, Netherlands, 5.3 percent Italy, China percent 5.3, France percent 4.4 percent, and Czech Republic 4.3 percent ("World FactBook").

Poland has a deficit of 3.367 million in its balance of payments in the third quarter of 2012. In (Appendix 1); one can analyze the break down on how Poland B.O.P is calculated. Comparing 2011 to 2012 you can discover that the deficit lowered about 1.740 billion. In terms
meeting in 2012 Poland exported more goods than they imported. ("Balance of payments in Poland for Q3 2012")

Poland has one type of currency that is called the Zloty. Poland’s exchange rate differs depending on the country’s economic conditions. Currently one Polish Zloty equals 0.31 US dollar. The Zloty was at a record low in 1993 at 1.7000 and at an all-time high in 2000 of 4.7100 (Trading Economics). The Zloty averaged 3.2700 throughout other years including the present.

L. Trade restrictions

Poland has many trade restrictions. Embargoes are placed upon Poland for example; Russia has put a ban on Polish vegetables because of untruthful data that has Russian federal service puzzled. ("Freepl.info.com”). Rules and regulation on quotas in Poland are set by combined nomenclature code, which falls under the harmonized system. Import taxes in Poland are kept very low in order to decrease barriers and increase trade. Tariffs for any European Union member are free to export products to Poland. Any member that’s not of the European Union will have to pay to export. In Poland obtaining a License are given out only by the Minister of Economy which correlates with the quantity of imported products. Poland government uses Commission Regulations and Common Customs Tariffs to set S.O.Ps for countries that are not European Union exporters. The S.O.Ps regarding imports will be seen in the integrated customs Tariff section of the European countries.

M. Extent of economic activity not included in cash income activities

Poland uses the system cash of import and export strategy as a form of countertrading. Poland mostly imports and exports their goods primarily from surrounding European countries, located mostly in Western Europe. Poland’s import of good is frequently higher than that of their exported of goods. With the speedy growth of foreign investment goods like machinery,
industrial equipment, electronics, cars and car parts are Poland’s main imported goods. Exported goods consist of thing such as furniture, ships, even apparel (nationsencyclopedia.com). Poland remains a big exporter of things such as milk, poultry, fruits and vegetables.

N. Labor force

As of 2012 labor force in Poland is ranks 34th amongst the world. With Poland total population estimated at 38,415,289 million people, about 18 million people make up the total labor force. Unemployment has increase slightly from 13.4 percent to about 14.2 percent according to Central Statistical Office (CIA.gov). Compared to the total unemployment rate in the world Poland’s ranks 131 overall. Inflation rate has not caused a gigantic change in the past two years compared to 2011. The current inflation rate is 3.6 versus the 4.2 it was two years ago.

O. Inflation rates

Poland uses two measurements of inflation. First, current inflation Poland (CPI) this inflation is based on Polish consumer index. Current inflation Poland is the average price for what consumers spend on market value goods or services. As of 2012 the current inflation Poland is 2.33 percent (Inflation.eu). The second measurement is current harmonised inflation Poland (HICP Poland) is based on the consumer price index. It is the measurement of what consumers spend for European countries goods and services. As of 2013 the HICP inflation rate is 1.21 percent.

IV. Developments in science and technology

There are 38 million well-educated citizens and highly technology people in one of the largest economies in the European Union. Recently Poland has been increasing and inventing new more environmentally and technological friendly products. With many new companies investing into the Poland market, Poland has been one of the leading countries within the
European Unions. Due to the fact that service makes up 53 percent of Poland’s total labor force, it is important that technological equipment such as computers, and tools, and different type of machinery are available as well as knowing how to operate all of them. Without the accessibility of these types of equipment in the future it may cause the service make up of labor force to decrease.

A. **Current technology available (computers, machinery, tools, etc.)**

Currently, Poland’s information technology follows the trends of Western Europe. However, Poland is usually three years behind the latest technology. Computers, cars and machinery that used for construction is available in Poland.

B. **Percentage of GNP invested in research and development**

As of 2012 the percentage of GDP invested in research and development was 0.68 (Worldbank). Poland government recognizes that research and development is an important tool of consideration for the future of the Polish people.

C. **Technological skills of the labor force and general population**

Many Polish consumers have access to computers and are computer literate. However, the Polish usually are three years behind the latest technology and this issue must be addressed. The labor force uses computers on a daily bases.

V. **Channels of distribution (macro analysis)**

A. **Retailers**

Retail channels are continuing their development in Poland. According to recent market research, the number of modern format shops rose since 2005, which shows growth compared to the previous year. Traditional shops in Poland still have a firm share in the entire retail market which makes up approximately 50%. This situation stems from the fact that Polish people are
still used to the more traditional shops, located mostly in the surrounding area of their homes. There still continues to be a lack of modern system retail outlets in small towns with a population of less than 50,000. More than 60% of the population lives in small towns and villages, there is no strong demand for hypermarket type formats. With this type of problem most of the retail owners are more interested in smaller type building structures.

B. Wholesale middlemen

Poland’s goods are distributed by wholesalers to many industries. Customary markup for various classes of goods depends solely on economic conditions. Cash will always be used as a method of payment; Poland now uses credit cards as method of operation.

C. Import/export agents D. Warehousing

Goods can be shipped into one of Poland’s twelve ports. Poland also exports many products into other countries. Since the Warehousing is available in Poland for any industry to use.

E. Penetration of urban and rural markets

As population continues to rise market penetration into rural areas can be very successful. Polish government offers organizations incentives to develop infrastructures in rural areas. Some geographical areas of Poland needs improvement if an organization is willing to develop the area profits will emerge from this endeavor.

VI. Media

A. Availability of media
The people of Poland have access to all the modern forms of media. The public radio is accessible to more than half of the population. There are over 300 newspapers that can be accessed in the country. Internet world stats stated that in 2010 Poland had about 22.5 million Internet users.

B. Costs

The cost of media products is affordable for the average working Pole. After looking at several subscriptions online the average price of magazines and newspapers is about 3 Euros. Poland also has its form of paid cable television networks. These networks offer commercial stations which are worldwide and they also offer pay per view options.

Television in Poland Teleizja Polska which is referred a TVP has the largest television audience because it’s public. TVP operates on the regional network and via satellite. Polsat and TVN operate the leading commercial networks. TVN also operates the regional news channel TVN 24. Cyfra+ is another pay- TV operator in Poland, the own a smaller portion of the television market. (BBC News)

Poland has over 200 radio stations and it reaches over half of the population. Polish Radio the most popular polish radio networks. Polish Radio operates five national networks and a host of regional stations. TheNews.pl is another popular station in Poland which gives you the daily news in English. RMF FM and Radio Zet are some of the most popular commercial radio stations in Poland. Radio Maryja is a popular religious station which discusses the most controversial Catholic issues and it is run by Redemptorist Order. (BBC News)

As stated earlier Poland has more than 300 newspapers both local and regional. Even though it seems as if print media is a lucrative outlet for marketing BBC identifies this form of media as relevant to less than 30% of the population. Another interesting fact about print media in Poland
is that press is almost completely private and is mostly owned by foreign countries. There are three major newspapers/magazines released daily and about ten popular printed media released on a weekly basis with three of them being in the English form. (BBC News)

In 2010 there were 22.5 million Internet users in Poland. This accounts for more than 58% of the population. This is a great outlet it allows you to connect with nearly ¾ of the entire population and doesn’t require a physical presence in the country.

C. Agency assistance

PAP is a Poland news agency that distributes political, economic, social, and cultural press events. They also inform the people of current events and info. It was formed during the reign of communism and was later revamped following the collapse of the Soviet Union.

D. Coverage of various media

Advertising is a coverage of media that is used in Poland. Television in Poland is the most successful forms of media. The internet allows consumers to purchase products no matter the location. Radio is still popular and is listened too by majority of the population.

E. Percentage of population reached by each medium

Some form of media in Poland influences more than half of the population. There are a variety of media outlets and resources. The less resourceful outlet would probably be the newspaper.

III. Market Audit and Competitive Market Analysis

Analysis

I. Introduction
Consumers want an energy drink that will not only give them energy, but consumers also want an energy drink that taste incredible and will make one feel good inside. We plan to release the brand name of Spark energy drink on to the market in the summer of 2013. The launch of the product will start in major cities in Poland then spread out to the rural areas. The energy drink will cater to those that indulge in sport activities and those ordinary people who live an active lifestyle. From the gym to the office, or parties to school, Spark energy drink is going to be for the everyday individual. Spark energy drinks will surely be the next best energy drink in Poland market.

II. **The product**

Spark energy drink will be the new “It” energy drink that can be added into the Poland market to date. The energy drink will come in a cylinder shape can similar to the monster energy drink. The colors of spark energy drink will be red and white and a hint of yellow representing the color of Poland flag. The product Spark logo will be plastered on the front and back of the can. The major strengths of the product have to be the all-natural ingredients and superb taste. Some energy drinks have a salty carbonated taste that can leave a nasty after taste in one’s mouth. In addition, through extensive research we found that most poles like tea and fruit in their daily diets. Spark energy delivers with their tea based product. The main ingredient that can be found in Spark is the Chinese urban ginseng. Does not only taste better but also it is actually good ones health benefits.

A. **Evaluate the product as an innovation as it is perceived by the intended market**

Spark energy drink will be the first of its kind reaching across different demographic and subcultures in Poland. The target audience is both women and men in between the ages of 15-49.
The product will be look upon as an alternative energy drink. Most of Poland population works five days eight hours day shifts with thirty-minute lunch break. When it comes time to take that lunch break; most poles will bring with them pre made sandwiches or snacks to keep from leaving the work place. One of the advantages of Spark energy drink is it can be distribute through vending machines in different work environment.

This will contribute to the daily routine of most poles in the workforce that do not leave the work place for breaks. Poland is westernized common Spark energy drink there are no special skill sets needed to properly use Spark energy drink. Yes the product can be tried with minimum risk. Besides stating the obvious when it comes to spark energy drink giving you energy. On the product will be a short list in bullet points describing the benefits of Spark energy drink. The product will aid in consumer benefits when it comes down to health and living an active lifestyle. It has reduced the sodium that you might find in the competitors energy drinks. Spark energy and more of vitamins and minerals and uses more natural fruit ingredients.

B. Major problems and resistances to product acceptance based on the preceding evaluation

When it comes to marketing Spark energy drink, it is very important to come across to the Polish as warm and friendly. The product itself will appeal to the consumer because of the red and white colors displayed on it. The positive for Relative Advantage is that it will be accessible in the work place that have vending machines present. one of the negatives can be if all businesses does not have vending machines available for employees and consumers. Spark energy drink complies with all cultural beliefs when it comes to Compatibility. The product will can be purchased with minimum risk. For observability the positive will be that the product is is
compact with essential vitamins and minerals that can help the consumer overall health. However, the only drawback can be the estimated price of the product due to the added benefit.

**III. The market**

With exercise and healthy lifestyles becoming a trending priority of consumers, manufactures of sports drinks are enjoying the growth of the market. This also has its cons; there is a trend of saturation of energy drinks in the market. Most resources say saturation is caused by the tough price competition in the market. Resources also added that the market is growing so rapidly manufactures are even overlooking the growing prices of sugar, energy, and oil. (EMI 2012) In 2011 there were 100-120 registered energy drink companies in Poland. So most companies try to use market differentiation to create new lanes to sell their products. (PMR)

A. Describe the market(s) in which the product is to be sold

Spark will be sold everywhere soft drinks and other energy drinks are sold. Typically in major cities and country sides where cycling is very popular. This product can also be sold in foreign markets depending on the identity the brand builds for itself. Geographical regions of Poland consist of suburban communities and inner-cities well carry the product. There is no unbearable terrain that makes it difficult to attain the product. The Polish use the ordinary means of travel. Cars, bikes, and scooters are used to get around. Communication avenues for marketing are available in all necessary forms. Print, radio, television, and the Internet are all accessible by the consumers. Forms of transportation and communication available in that region, The Polish use the ordinary means of travel. Cars, bikes, and scooters are used to get around. Communication avenues for marketing are available in all necessary forms. Print, radio, television, and the Internet are all accessible by the consumers.
Consumers buying habits in 2011 sales boosted in the energy drink category by 2% and the following year by 11% so consumers are purchasing these products. Foreign markets also opened up in neighboring countries. Consumers are also buying other branded products, which indicate a sense of brand loyalty by consumers. Sleek designs are always necessary when promoting a product. Looking at other competition in the market you see the trend of endorsed representation of the good, Different athletes that participate in the most popular sports of the country. This gives the brand its validation stamp.

Shopping habits Poles rarely shop so shopping habits are poor on an all-around scale. They do actively participate in sports so they are most likely to have a tendency to purchase items that relate to their hobby like anywhere else in the world. The most prominent choice of distribution is to compile a contract with one of the leading beverage distributors. This way you get promotion and a large test market. You also want to get under some of these big fish to make yourself a more visible competition. The buyout game is going played, the small independent fish are a force to be reckoned with now but eventually the big gives you an offer you can’t resist. So picking the right distribution channel is critical. (BusinessWeek)

Major retail outlets eventually pick up the brand once you establish a sense of identity. This may cause the company to recreate the entire structure. This could lead to a higher profit margin or cause the company to go bankrupt. Every decision you make at this point is very critical. This is where the brand is established local businesses and venues. Middlemen set the tone for the product and offer the best promotion. This also is a quick way to see earning because mom and pop stores purchase the products at wholesale to sale to the public. So the better deal they get the more they are willing to purchase.

Advertising and promotion In Poland consumers can view various mediums of
advertising including television, print, radio and the internet. Television ads would be more feasible and cause TOMA (top of the mind awareness) for this product. The internet can allow consumers to purchase the product online. Many consumers have access to a computer in Poland. Radio advertising would be less expensive and can generate sales. Direct mailing can be used as an advertising medium as well as a sales promotion. Couponing, free trials, and creating awareness at sporting events can create more profits. At the sporting events this would create face to face contact which Polish consumers admire. (Jones)

The pricing strategy of Poland customary markups will only occur if we create a new flavor, or add an ingredient. Poland’s economy will dictate how much the price of Spark will rise or decline. Types of discounts that will be made for consumers would be couponing, buy two get the third one free, or buying in bulk and the company gives an additional case.

B. Compare and contrast your product and the competition’s product(s)

As of 2011, there are (100-120) energy drinks in Poland’s market. However, even with the numerous amounts of energy drinks only three energy drinks control the market. Leading the market is Coca-Cola HBC Polska with produces Gatorade second with the most market share is Red Bull because it is quickly recognized by consumers, lastly is Maspex which produces Tiger energy drink. (Sports Drinks, 2012) Many energy drinks share the same features as far as ingredients and packages. Poland has not become completely Westernized there was not sufficient information that determined the price for each product.

With the launch of the new energy drink our main competitor’s will be “Tiger” and “Black” energy drink. Surprisingly Red Bull only makes up 11% of the market share whereas Tiger and black make up 20% and 18% market share. Focusing in on the two main competitors
Tiger and black, both use famous athletes to endorse their products. Tiger energy is the leading energy drink in the Polish energy market due to it mainly being cost efficient with the energy drink market. Tiger is nickname after a famous polish boxer name Dariusz Michalczewski and Black energy drink is endorsed by the famous American boxer Mike Tyson. (Bird&Bird) With the Poland country being so big on sports, athletes are the spokes personals for a lot of endorsements. (Ad Buzzer) both Tiger and black both offer more variety in form of packaging. Tiger and Black both have cans, bottles, and tablets which are all different from that of Red Bull, which can only be purchased by can.

C. Market size

The energy drink market can be a very profitable and rewarding industry. Seeing that the Poland energy market is somewhat saturated, plans to invest into the launch should be mild and somewhat limited. Estimated cost should not be over $110 million for the first year. If we invest too much into the launch of the Spark energy drink then we might run the risk of not profiting from our investment. Fighting with Tiger energy drink, which is an established and polished based energy drink that ranks number one in the energy drink marketing, makes it that much harder to launch the new business product. Small investment is key to the first year’s success of the launch.

D. Government participation in the marketplace
One of the major regulations that must be followed the vitamins and minerals and of certain other substances to foods Amendment
a. (Article 4)
Definitions:

Energy drink: “Any beverage with a caffeine content of between 250 and 320 mg/l, from whatever source or base ingredient is coffee or tea, cannot be classified as an energy drink.

b. (Article 5)

The maximum content of added caffeine, from whatever source (including through the addition of extracts from natural caffeine sources), must not be higher than indicated below:

<table>
<thead>
<tr>
<th>Food category</th>
<th>Maximum caffeine content, from whatever source (including through the addition of extracts from natural caffeine sources)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcoholic beverages</td>
<td>0 mg/l</td>
</tr>
<tr>
<td>Beverages (non-alcoholic)</td>
<td>320 mg/l</td>
</tr>
<tr>
<td>Food supplements</td>
<td>300 mg per portion recommended for daily consumption</td>
</tr>
<tr>
<td>Other foods</td>
<td>150 mg/kg</td>
</tr>
</tbody>
</table>

In the case of foods, other than beverages and food supplements, with total caffeine content in excess of 150 mg/kg, an application to import the product, place it on the market or manufacture it must be lodged with the Food and Veterinary Authority.

Regulations

Amending (for the 1st time) Regulation No 884/2003 on the labeling of foodstuffs containing quinine, and of foodstuffs containing caffeine

Article 3 shall read as follows:

Article 1
A proportion in exceed an amount of 150 mg/l, Supplier has to include label that states “High caffeine content”. Not recommended for children or pregnant or breast-feeding women”

Where caffeine, from whatever source (including through the addition of extracts from natural caffeine sources), is added to foods, other than beverages, with a physiological purpose (in a proportion in excess of 150 mg/l), the following message must appear on the label in the same field of vision as the name under which the product is sold:

“Contains caffeine. Not recommended for children or pregnant women”

In case of energy drinks as defined in Regulation No 327/2010 on the incorporation of EU Regulation the words “Energy drink” must also be on the label in the same field of vision as the name. If following regulations are not by the company than that can result in the company being shut down or furthermore not be able to inter into the market.

Executive Summary

Poland’s energy drink market is already saturated with so many energy drink products. We would also have to partner with a celebrity because endorsements are prevalent for the success of a company in Poland. Many companies offer other drinks such as teas, water, and drinks that are only for women. Research is skeptical because many organizations create a stronger profit margin without it being truthful. Our research team must enter Poland and decide if this is a good investment.

Poland’s energy drink market can be a little hard to determine the results of when and how to launch a new drink into the market. With Red Bull not being the top selling energy drink in Poland’s energy drink mix like it is in the United States, makes one skeptical about
enter into a market that has the number one energy drink else in the world making up 11% in the Poland market. But by analyzing those market shares of our competitors we can closely see what we should and should not invest in within the first year of operation.

We plan to release the brand name of Spark energy drink on to the market in the summer of 2013. Spark energy drink will be the new “It” energy drink that can be added into the Poland market to date. The product will be tea based and have a positive effect on consumer living. The target audience for the product will be kids and adults that are between the ages of 15-49. This energy drink will combat those who live an active lifestyle and will bring minimum risk into the market. Spark will symbolize pride in Poland and the polish culture.

IV. Preliminary Marketing Plan

I. The marketing plan

A. Marketing objectives

Spark Energy drinks looks to make Athletes, Extreme Sport Enthusiast, as well as teenagers and those that are in their 20’s. Seeing that Poland has history of athletes and those that like to participate in extreme sports, this will help build our brand and help with the promotion and advertising. Focusing on these target markets we feel that they are more than likely to buy into the brand, and the claims of Spark Energy Drink. If we get all of those that teenagers feel that are their role models like the athletes and such, it will help gain the market of
the young people in their 20’s. With about 50 million people in target market, we predict that about 10 million people will purchase the Spark Energy drink, which is about 20% market penetration.

B. SWOT Analysis

Some strength that is associated with Spark is the fact that we are a new product to the Energy drink market in Poland. Being a new product allows us to build our brand and introduce something different to the market. We also feel that being a fresh new and fashionable brand is something else that will help us enter into the market. Some weakness associated with being in this new market is not meeting the expectations of the new customers, being new to the international market, and lack of invocation. Market penetration through market development, and increase revenue are our opportunities dealing with this new business venture. Threats that can come about in this new venture can be our competitors, health concerns, and saturated market.

C. Product adaptation or modification
Spark Energy Drink Objective is short and simple. Our Main objective is to inform our customers. These key elements are important due to the fact that if we as a team and company inform our potential new target market of the Spark brand than it will allow our next objective which is persuade to be a smooth transition. If we can persuade our target market and make them buy into the brand then Spark Energy drink will oversee our top competition which is Tiger Energy Drink which is owned by former Heavyweight boxing champion Mike Tyson. Our last elements consist of reminding. Once we take care of the first two we want to remind our target market that there is no other brand of energy drink that is of higher quality, cost efficient, and performs better than that they have already been exposed to over the past years. Our media mix will consist of print ads, commercials, radio, newspaper, posters, and athlete endorsements.

All of these are great ways that we will allow the Spark brand to be effectively introduced into the market. Anything that can constantly get the brand showed is an optimistic for Spark. With this type of advertising we do feel that it will be costly. We would like to do everything in our powers to introduce the new product but we do not want to invest all of our funds and resources into the new launch and in return does not become profitable for us as a company. Cost should be between 10-15 million, anything that exceeds this amount less than break-even point can cause our new business adventure to be a complete fail.

Our main objective for the promotion aspect is persuading, if we can persuade our target into buying Spark than we have accomplish our goal. We plan to reach our goal by promoting through free sampling, coupon give away, and our Customer Fan Base Program. Free sampling involves Spark setting up vendor(s) in Warsaw, Poland and give away coupons, and free Spark
Energy Drink merchandise, such as t-shirts, hats, key chains, pens, etc. anything that will help build our name. We also plan to do discount pricing, here we will have customer sign-up to the Customer Fan Base Program, which they will receive information on discount pricing dates, events that Spark might be a part of, and they also get the opportunity to be a part of our prize give away competition. Our cost for this type of promotion should be a little under $100,000.

E. Distribution: From origin to destination

Port selection

Poland has twelve ports ranging from small, medium, and large. Origin port will be Georgia Ports authority (Savannah, GA) Destination port will be Gdynia and Gdansk which are the two largest ports in Poland. In Poland railroads are developed and are far more advanced than its roadways. Poland has an advantage because of air carriers; Poland has its own Polish airlines which is named LOT which was voted best airline in Central and Eastern Europe IN 2012. Ocean carriers would be the best way to ship Spark into Poland. LOT airways would be the alternative if a problem occurred during transportation. The roadways are not as developed so this would be a disadvantage for motor carriers.

Packing is very important in Poland. Marking and labeling regulations all information must appear in Polish the product type must be listed as well as list of ingredients, and special conditions for keeping the product safe. A product must have labels that displays a net quantity in meters for the energy drink and date of minimal durability. Containerization will be cheaper if the container is not filled to capacity. The cost to import Spark energy drink into Poland would be 60%.
Documentation required for Spark to enter into Poland must be correct. The bill of lading has three main components (1) it is an evidence of a contract of carriage between ocean freight carrier and shipper; (2) It is a receipt for goods; (3) It is a document of title on shipped goods. The dock receipt “is a document issued by a direct ocean freight carrier to acknowledge receipt of ocean freight shipment at the carrier's shipping terminal”. (AMID Logistics) If Spark uses LOT airways this is just a receipt of proof that the goods are on the airline and the contractual agreement between Spark and LOT airways. The commercial invoice states all the transactions between all parties. Statement or certificate of origin entails the information of origin of the product and where it will be shipped too. Insurance claims must be implemented for Spark to protect our product. Spark has a traffic management team that handles all freight details.

F. Channels of distribution (micro analysis).
Retailers

Kiosks and your basic convenience stores account for roughly 55% of the market in all of Poland. Huge supermarkets are also becoming very popular in Poland due to the popularity of tax exemptions for foreign investors in the first two years of business. This gives the company around 150,000 stores to choose from.

Retail for beverages are always fairly high which has its advantages. Similar to water carbonated drinks have one of the highest retail mark-ups in the beverage industry besides wine. This is plus for both wholesalers and retailers because the product can be sold to both parties at very reasonable prices. Much of Poland is surely up to date on technology so all methods of payments are usually available. There are only 4 huge supermarkets or wholesalers near Poland that we would consider large scale operations. On the other hand convenience stores are everywhere and are very popular because there easily accessible, they are within the community, and most of them are locally on.
Wholesalers in Poland have a highly unsaturated market in Poland. There are only four within the country and the all require a form a membership, similar to American powerhouses Sam and Bj’s. All four run a large scale operation and the import anything they cannot get in Europe form the U.S. This could be a catch twenty two depending on the number and quality of energy drinks offered in other European countries.

Importing and exporting agents are nothing but brokers but in order for this FDI to a success we need the best. There are two ways the company can do it, build a team within the company out of the sales and human resources department, the generally know all the rules, at what prices we can make a profit, and the know how to work outside the realms of the company dealing with other businesses and government policies. Or the company could hire a third party contractor. This could have its cons they are generally looking for a higher commission and even though binding them in contracts stops a major it to the company it never stops those legal but unethical techniques all agents play. Loyalty issues could cause problems dealing with third parties.

Building a warehouse in Poland is not necessary. We have one product nothing else so it is a waste of money to build, hire, and operate. The plan is to use others people space and others peoples employees. We simply provide marketing tools for wholesalers and retailers. We have to remember that this is a saturated market we are entering and even though we have a unique product and sound market strategies we still can lose. So if back stock is going to sit on shelves let it be company’s product. Not only that once they have the product it belongs to them, we have to limit losses and cut costs.

G. Price determination
Price determination will depend on the economy. Spark advisors must take into consideration all other economically factors and uncertainty.

I. Methods of payment

There are several different methods of payments that sellers can use. The primary method of payment is a cash advance. Cash advances require the buyer to pay the balance upfront before any service or goods are received. This is the method of payment that involves the lowest risk for sellers because payment is secured before services are rendered. An alternative method of payment is considered an open-account. Open Accounts require the seller to render goods and services before any final payment is secured. This type is a high risk method of payment for sellers because payment is not secured before shipment or rendering services, however this method is low risk for buyers because payment depends on the successful arrival of goods or successful rendering of services. In addition to open-accounts there are also consignment sales. Consignment sales require the seller to ship or release goods to a buyer without payment in advance.

The buyer then sells the goods to a second buyer and pays the original seller. The original seller does not receive payment until after the buyer has received payment from the second buyer. With this method of payment the original exporter allows the buyer to receive, manage and sell the goods on their behalf. This method is common in international trade, however it is risky for the exporter because final payment depends on an outside source, often in a foreign country. When working with consignment sales there are ways to minimize liability such as working with reputable distributors and having reliable insurance. Alternate methods of payment are sight, time and date drafts. Sight drafts are payable on demand and are often presented with shipping or custom instructions for the exporter prior to finalizing shipment.
arrangements. In contrast, a time or date draft is demands for payment that are only payable after
a specific future time or date only. Lastly, the most secure instruments for payment are

Letters of Credit are commitments that are verified by a bank that guarantees payment to the seller or exporter. Payment is received upon verification that all the terms of the sale were met. Letters of Credit are beneficial to the exporter because bank verified payment is received before shipment and is payable upon receipt. Additionally, Letters of Credit are beneficial to the receiver because they ensure that all services and goods are received according to the agreement.

Spark Energy Drink

Pro forma income statement 2013 2014 2015

Sales
Less: cost of sale
Gross profit
Operating expenses
Selling
Advertising and promotion
Distribution
Tax
Total operating expense
Executive Summary

When deciding on how to market Spark energy drinks there are a couple of factors one must consider. When it comes to term in sales in importing and exporting of goods, one must determine which of the best alternatives work best to export spark energy drink using the Free On Board method. The second point is what method of payment is the company going to use? In spark energy drink case the best method of payment will be letter s of credit. When considering that the bank backs the buyer fully in paying the quoted price that was agreed with no turn of events build trust for exporters and importers. In the marketing budget one can determine that the projection of future revenues will exceed our future cost and expenditures.

Target market, Promotion mix, and sale Promotions are key to the Spark Energy Drink penetration into Poland. With Poland having the reputation for having good athletes, we can use this to our advantage. If we can get the athletes as our number one primary target to promote Spark, than the new business venture should be beneficial for us. Our sale and promotion mix
are the leading components to our success. If our promotions are lacking and do not impact our market then our entry into Poland was a bad investment.

Sources


