

Warne's Marketing

Published by Warne Marketing + Communications

No. 2 1999

Ensuring Export Sales Success

To succeed in export sales you have to know as much about each market you're exporting to, as you do about your home market.

THAT'S TRUE, EVEN IF YOU'RE just exporting to a region of the U.S.

The challenge is to get that knowledge on an affordable and on-going basis.

Don't expect to get the market specifics you need on your products or services from government or the banks. Despite the mega-trade missions led by the politicians, our governments have generally been downsizing the assistance they offer to Canadian firms trying to sell to other countries. A visit to the Strategis web site or the reference library might be OK for economic researchers, but it won't tell you whether there really is a market for your products or services in any country.

Not Homogenous

"We're only interested in the U.S. market. They speak the same language. Their regulations aren't any tougher than ours. So where's the problem?"

Simply stated, there isn't a U.S. market. There are seven regional markets in the U.S. plus significant distinctions between the states in each region.

You know all about our provincial trade barriers. Multiply them by five and that's the U.S. Then, add in customs skirmishes on everything from softwood to potatoes.

The U.S. just isn't all that smooth and easy to exploit to its full potential.

Distributors Aren't Enough

Getting distributors or re-sellers to take on your products can be a first, important step. But, don't count on

them to do your selling job.

Distributors rarely spend their own money to promote product sales. Instead they generally drop products that don't achieve and maintain satisfactory levels of sale. As do retail stores and other buying groups.

Sure you'll get a first rush. Our research does show that 82% of distributor representatives try to sell new product lines when first introduced. But, thereafter, they only try infrequently and on a highly selective basis.

Even if you run sales incentive programs for the reps, they'll only promote the selected products about 52% of the time during the promotion.

and trade trends; demographic data; a fix on competitive products and services; pricing parameters; knowledge of regulations affecting imports, labelling instructions and liabilities; plus a review of distribution patterns.

When you've got all that, you can then move to develop a strategic plan including branding, marketing, sales and promotion strategies. Then you'll have a good idea of how far you can go and how quickly you can get there.

Mega-Myopia

Real success in export sales is built one market at a time on a country-by-country priority basis.

"Plan Internationally, Market Locally" is vital even in the seven regions of the U.S.

It's the same as going on a trade mission or exhibiting at a trade show in another country. A quick rush, a few sales, but no real build up. And where do you go from there?

Putting your own people on location can be an expensive, frustrating exercise — unless they have a plan as to how to proceed, plus continuing local support.

The First Steps

To properly enter any market you should have: a hands-on investigation of the market potentials for your products or services; an understanding of business

Success is built on planning internationally, but marketing locally. In understanding that the world is not, and has never been, a global village. In appreciating that we — Canada, the U.S. and countries overseas — are divided by more than history, religion, attitudes and government regulations. We are also divided by individualistic vs. collectivistic cultures; languages, masculine vs. feminine dominance; respect for age, status and power; emotional expression and attitudes towards environmental protection. We don't even laugh at the same

things. Indeed there are vast differences in what's humorous, even within individual countries or cultures.

Despite these basic facts, some multinational companies operate on the basis of imposing programs from New York (or London, or Tokyo) on the rest of the world. Agencies herald their world-wide creative directors and global creative strategies, without even stopping to think that Paris is not like New York, or Sydney like London.

All this despite the many mis-speaks that have resulted in unintentional yuks for the local population and humiliation for the global headquarters. Take, for example, Puffs Tissues. In Germany, "puff" is a colloquial term for brothel. Or Chevrolet Nova. Spoken aloud in Spanish, it sounds like "no va" — "it doesn't go." Or Coors' slogan "Drink Coors and

heads are better than one." And so are three, four or more of peers of equal standing, when properly focused on the task at hand.

These network associates are specialists in their home markets. They're part of the daily life. They know the habits, the attitudes, the media, and the languages, along with all the do's and do not's of the local marketplace. Most importantly, they know the local contacts who can be so critical to local success.

Help for SME's

One other great value of the marketing and advertising networks is that they're willing to assist small to medium sized enterprises. Their activities and interests aren't totally wrapped up with the mega-million consumer products budgets.

KFC's "Finger Licking Good" became "Eat Your Fingers Off" in Chinese

Turn it Loose" which arrived in Spanish as "Drink Coors and get Diarrhea." Or KFC's "Finger Licking Good" that became "Eat Your Fingers Off" in Chinese.

International Synergism

The alternative to imperialistic-style imposition from headquarters is found in the networks of marketing and advertising agencies, who work on a cooperative and synergistic basis.

The lead agency in the home country communicates the objectives to associates in selected other countries who conduct research and develop local marketing and communications strategies, and plans that most effectively and efficiently deliver corporate objectives. The home country lead agency is the strategist and coordinator, reporting to the corporate head office on developments and recommendations.

The synergy achieved by network agencies working together is much greater than the input from branches of the same company.

The results networks produce give support to the old saying that "two

INBA, the International Marketing Alliance, offers particular expertise in high-tech and high-involvement consumer products that are sold to sophisticated professionals.

INBA members have experience in working together. Experience in making meaningful contributions to the success of their international and local clients. They are able to "tap in" to the special skills of individual members, from international branding to sophisticated market research. These cooperative skills are honed daily, and supplemented annually at working conferences for both account management and creative personnel.

In Canada, It's Warne

We are proud to be the a partner in INBA. We looked very closely at other networks before joining.

INBA has for more than 30 years helped build business internationally for the clients of its members.

If you'd like to discuss how Warne and INBA can help you, please contact Scott Warne.



*The marketing resource for
companies going places*

Marketing

- Strategic Planning
- Customer Relationship Marketing
- Database Marketing
- Marketing Research
- Marketing Audits
- Event Marketing
- International Marketing
- e-business + Interactive
- Sales Support Services

Corporate

- Annual Reports
- Branding + Corporate Identity
- Employee Communications
- Investor Communications
- ISO/Customer Satisfaction Surveys
- Public Relations + Publicity
- Recruitment Services

Advertising

- Creative
- Communications Audits
- Direct Mail + Response
- Integrated Design
- Media Analysis + Planning
- Yellow Pages Advertising

Warne Marketing + Communications

65 Overlea Blvd., Suite 112
Toronto, Ontario, Canada M4H 1P1
Tel 416.927.0881 Fax 416.927.1676
Toll Free 1.888.279.7846
info@warne.com
www.warne.com



Partner: INBA International Marketing Alliance