

# MULTIPLE CHOICE

There are multiple options for those determined to break into exporting, and the right one could mean great success.

— By Charles Steilen

**The previous article in this series on** exporting suggested that you begin by familiarizing yourself with a particular market, country, region or city in which there might be some potential for the sale of your product or service. Information sources were provided which can help you uncover certain information about particular markets as well as about potential distributors. In addition, recommendations were made as to the type of resources you might need as you move closer to this activity of exporting.

There are, however, a couple of differ-

ent approaches to exporting that one can now consider as you go through this familiarization process. Let's call these "Option A" and "Option B."

Experienced exporters often use a combination of options as they have been able to develop a series of working relationships with end customers or distributors in various countries. Efforts are then made to further develop those individual markets as well as to find new markets.

The activities included in both approaches are as follows:

## OPTION A

In Option A, the focus is on a particular market or area with the objective of developing that market. Steps in the plan:

1. Conduct a market opportunity analysis that allows you to understand the demographics and market development activities (infrastructure, health care, technology, professional services, etc.) taking place or that are scheduled to take place in that market. Information sources were provided in the last article in this series that allows you to acquire this type of information.
2. Acquire information from potential middlemen as well as potential customers, focusing on their needs, attitudes toward your product or service and their attitudes toward competitive products or services.
3. Appraise your own organization's product or service strengths and weaknesses as well as your own organization's marketing capabilities.
4. Make your first key decision. Based upon the analysis conducted in the first three steps, determine where the business opportunities lie and which priority market segments are to be targeted within that country or region.
5. With key target markets now defined, and from the information acquired in Steps 1 through 3, determine what you can realistically expect to achieve in that market over the next two-to-three-year period.
6. Evaluate how you might now use each of the following weapons that are available to you. Each weapon to be used should have a specific objective.
  - A. The product or service – Are there any product or packaging modifications required?
  - B. Customer service support – Define

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the service support requirements for middleman or end-user.

C. Pricing – Develop an export pricing strategy taking into considerations the various cost factors that now need to be included.

D. Distribution – Determine the most effective distribution channels for that market e.g., the best way to reach the end customer.

E. Selling Approaches – Develop the personal selling approach to be used to get an end-user to buy and/or to acquire a distributor.

F. Marketing communications – Determine those channels of communication, e.g., media, that will best reach your target market as well as the specific benefits that need to be included in the message.

7. Develop an integrated marketing strategy. Each marketing weapon that is used needs to be integrated into one overall system.
8. Develop a tactical action plan. Specific methods for implementing the strategy should now be laid out into a detailed action plan and program.
9. Resource requirements now need to be considered. Such things as legal issues might need be considered, financing/credit issues, import/export documentation, shipping issues, etc., now need to be considered.
10. Determine the methods by which you will monitor the results of your implemented strategy and programs in order to evaluate their effectiveness.
11. Calculate your marketing costs. What will the implementation of this plan cost against the anticipated revenue?

As you can see, this option allows you to develop the necessary insights into

making critical decisions within a given country and within a specified target market. This type of comprehensive plan is also very impressive should you decide that a middleman/distributor would be required in a given country or region. It also allows you to have more ‘control’ of your situation in that market.

### **OPTION B.**

In Option B, the focus is initially on making an export sale and/or finding a potential direct customer or distributor. Steps to be taken in order to achieve this objective:

1. Sign up for an international trade show. Thoroughly prepare for that show, e.g., effective booth design, relevant promotional materials to be distributed, export price lists to be distributed, product/benefits to be demonstrated, effective selling techniques to be used, and an agreement as to the relevant information to be acquired from visitors to the booth as well as knowledge about documentation and shipping.
2. Acquire as many sales orders and sales leads as possible with the appropriate information related to each sales lead.
3. Follow-up on the sales leads and enter into an agreement with a qualified distributor or when the time is appropriate. This may include a visit to the distributor's home country with visits to some of the distributor's customers. The same practice should hold true when being approached by an end user of your product.
4. Assuming a certain amount of sales have been achieved over a period of time, regularly monitor events in that country and work closely with the distributor or end user to develop a plan for the future.
5. Be careful of follow-up orders that pressure you to reduce your pricing.

As you can see, two very different approaches to exporting have been presented. Experienced exporters have the same options when expanding.

The unique nature of the market conditions in any given country, the distribution structure of a market, the buying process of end-users and, the nature of the type of product or service you are trying to sell, all add to the type of approach you might want to pursue, e.g., Option A or Option B.

It is up to you to decide, as a newcomer to exporting or as someone who would like to expand to new markets, the pros and cons of Option A and Option B. What are the conditions that would determine your decision to adopt A or B? Which would you now select for your situation?

By the way, there are also variations on the two approaches provided. Trade Missions sponsored by various trade associations, cities, etc., can also be helpful in helping you experience a market first hand and possibly introduce you to the key people in that market. Having the right search engine and an effective web site might also get you exposure within a market. Contact might then come from a potential distributor or end customer.

This combination of being committed to the international business arena, establishing and building personal relationships and, developing and executing an effective marketing strategy are the key components to successful exporting. •*mt*

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