



# OPTIONS IN FRONT OF YOU

REGARDLESS OF YOUR CHOICE, BE COMMITTED TO SUCCESS

In this series on exporting, the previous article (in Fall 2012 *Manufacturing Today*) suggested 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 are available, such as [export.gov](http://export.gov), 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 different 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 explained as follows:

**OPTION A.** The focus is on a particular market or area with the objective of developing that market. It takes some work to develop the plan.

Steps in the plan:

1. Conduct a market opportunity analysis that allows you to understand the demographics and market development activities (infrastructure, healthcare, technology, environmental issues, etc.) taking place or that are scheduled to take place in that market. Various countries do provide their own economic development plans over the Internet that give some indication of their goals and needs.
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 the first key decision. Based upon the analysis conducted in the first steps, determine where the business opportunities lie and which 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 marketing weapons that are available to you. Each weapon to be used should have a very specific objective.
  - > The product or service – Are there any product or packaging modifications required?
  - > Customer service support – Define the service support requirements for the middleman or end user.
  - > Pricing – Develop an export pricing strategy taking into consideration the various cost factors that now need to be included.
  - > Distribution – Determine the most effective distribution channels for that market, such as the best way to reach the end customer.
  - > Selling approaches – Develop the personal selling approach to be used to get an end user to buy and/or to acquire a distributor.
  - > Marketing communications – Determine those channels

of communication and 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 so they work together.
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 need to be considered at this time. Such concerns as legal issues might need to be considered and evaluated, as well as the operation's financing and credit issues, import and export documentation, shipping issues, etc.
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 your company 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 very impressive should you decide that a middleman/distributor would be required in a given country or region. This first option also allows you to have more "control" of your company's situation in that overseas market.

**OPTION B.** In this option, the focus is initially on making an export sale and/or finding a potential direct customer or distributor.

Several steps need to be taken to achieve this objective.

1. Sign up for an international trade show. Thoroughly prepare for that show with effective booth design and determine relevant promotional materials to distribute, export price lists to distribute, product/benefits to demonstrate and effective selling techniques to use. Also, determine what relevant information should be acquired from visitors to the booth, and be prepared with 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 and 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 begin to 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 to other markets.

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.

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 one option over the other? Which would you now select for your situation?

There are, however, variations on the two approaches provided. Trade missions sponsored by various trade associations, cities, etc., can also be quite effective in helping you experience a market first hand and possibly introduce you to the key people in

that market. This is quite a useful approach, especially if one has technology-based products that might have only a handful of possible partners or distributors in a given market. Having the right search engine and an effective website also might get you exposure within a market. Contact might then come from a potential distributor or end customer.

Whichever approach is adopted, to be successful one must be committed to the international business arena and be aware that there is some potential for your product or service in a foreign market.

The need to establish and then build personal relationships – such as

with partners, investors, distributors, or customers – is also critical. Finally, developing and executing an effective marketing strategy will allow you to have some competitive advantage in a given foreign market. **mt**

**Dr. Charles Steilen** has spent 45 years as an international marketing professor, consultant and trainer. Thirty of those years were spent as a member of the marketing faculty at The Chinese University of Hong Kong. During those years in Asia, he was able to serve as consultant to the Hong Kong Government's Trade Development organization as well as to introduce the concept of international marketing to numerous individuals and organizations within Asia. He has recently served as a member of the Hawaii Export Council and as Dean of the College of Business at Hawaii Pacific University. Dr. Steilen is now helping U.S.-based companies to understand the nuances of international marketing with a specific emphasis on exporting. He can be reached at: [cfsteilen@gmail.com](mailto:cfsteilen@gmail.com)