

Target Market Distinctions

The Checklist For Your Overseas Trip (50k PDF) includes specific marketing data that should be considered for your overseas visit. Determine the cultural differences of each market when evaluating information incorporated in the checklist documents. Proper knowledge of business manners and methods for your target market will insulate and protect the transmission of your company goals, objectives and business agendas.

Use foreign country marketing plans to compare social customs within potential markets before engaging in business conversations. Pay close attention to business styles, cross-cultural communication, and the degree of importance a foreign distributor places on developing business relations.

The potential of your foreign market can be maximized by using marketing resources to obtain a better understanding of consumer buying habits, business practices and management cultures.

Cultural Business Variables

Cultural sensitivity is critical to the success of your international travel. Let your host set the tone of your initial meeting. Pay close attention attitudes towards gift-giving, accepted form of greeting, business relationships, small talk and smoking. Misunderstanding these customs may embarrass both you and your host. If there is a language barrier, be sincere, but let the product speak for itself.

International business executives often carry confusing titles. When meeting your prospective customer or distributor, be careful interpreting the correct use of business titles, surnames, and first names. There is often a distinction between formal occasions, business meetings, and written communications.

Cultural Negotiating

There are additional characteristics and approaches to consider when negotiating international business deals. Wells (*Exporting from Start To Finance* , 1995) confirms the availability of the many principles, details and nuances you can use. The best strategy is to study what you can, when you can, with attention to logical priorities based on the importance of the deal and the immediacy of the need (Wells, *Exporting from Start To Finance* , 1995). Even though you may never perfect your cultural style for each foreign market, major offenses can and should be avoided.

Before you make your overseas trip, certain negotiating tactics, business fundamentals and issues should have been discussed with your company. Know these basic issues and how far you can deviate from the agreed upon concepts. Be aware of the least amount you can agree upon as well as concessions you can make during negotiations. Don't lose sight of the ultimate goal, make a deal that is best for you, your company, and the distributor.

Travel Tips

- Change money at the airport of entry, it is usually better than the rate at your hotel or from an inner city bank.
- Plan ahead for a translator or hotel operator to help make telephone contact to confirm or schedule appointments.
- Try and skip taxis as your method of transportation from the airport. Arrange for hotel/airport transportation in advance. Taxi rates are usually higher and operators can be intimidating.

- Select business, deluxe or first class hotels that offer business services for patrons. These services can include communication systems, translators, and general business information that relates to your target market.
- Try to travel with others when possible.
- Make a list of all the documents you are carrying in case of loss or theft. Have all the applicable numbers ready for replacement purposes. For instance, photocopies of your itinerary, reservations, passport, medical and eyeglass prescriptions, airline tickets, traveler's checks, and credit cards are recommended.
- Proper clothing, sunscreen, and insect repellent is very important, not only for comfort, but to avoid more serious health hazards.

Your conduct during negotiation, overseas travel and even your choice of hotel characterize the image you portray for your company and product you are trying to sell.

Promoting the Product

In order to sell your product overseas, it is necessary to advertise. The advertising effort actually begins at home, as you make your first contacts with potential overseas representatives and introduce your company and product to target markets. In these early stages, you are beginning to establish your image. This image is further refined by your negotiation and selection of your designated representative. Your conduct during negotiations and during foreign travel, even your choice of hotels, will characterize the image you are presenting.

There are two major considerations that must be addressed early in your selection of an advertising program. First, you must decide who will control the advertising campaign, you or your overseas representative. Second, you must evaluate and implement the most appropriate methods. Click on one of the following for further information.

Frequently, there will be no "black and white" result from your evaluations. The promotional effort is often a collaboration between the exporter, his representative, and an advertising agency. A variety of advertising methods may be utilized to reach different aspects of the selected market.

Campaign Control

The promotional campaign can be either centralized (under direct control of the exporter) or decentralized (under the control of the overseas representatives). Each method has its advantages and disadvantages.

Centralized promotional efforts:

- Control of all promotional efforts, logos, advertising messages by the exporter.
- Uniformity of the company image and advertising message to all markets.
- Economies of scale in maintaining one headquarters operation, minimizing duplication of efforts.

Decentralized promotional efforts:

- Each market is different and local experts may have the best understanding of it and the best methods to promote the product.
- U.S. ad agencies may not be strong or experienced in some overseas markets.
- There is more flexibility in the selection of local advertising agencies.

- Local regulations, customs, and taboos are more clearly understood.

As a beginning exporter, you will probably use the decentralized approach because you will be starting in one or a limited number of markets and require local expertise.

As your markets expand or become more numerous, a more centralized approach with greater control and potential cost savings will become feasible. US advertising agencies can often affiliate with local firms to assure knowledge of the local market and effectiveness of the promotional effort. Larger US companies such as Coca-Cola, Kodak, and IBM prefer this approach which gives them maximum control.

No matter which means you select, close collaboration with your representative and constant communication is essential not only in determining the focus of your marketing effort, but also in monitoring and evaluating it.

Once you determine who has control over the advertising campaign, you'll need to decide on the appropriate means to promote your product.

Means of Advertising

A variety of methods and agencies are available to assist in your marketing effort, many of which you may be using in your domestic efforts. However, there are a number of methods that will help you advertise internationally. Some may be best utilized in a general sense, while others may be focused and specific to selected target markets.

The following list represents the major methods:

Direct Mail

The most time-tested and common method of advertising for smaller exporters is through a direct mail campaign. You may even be conducting your direct mail campaign ahead of, or as part of your effort to locate an overseas representative.

Leads for direct mail can come from foreign trade and technical journals, trade association publications, responses to advertisements, or subscriber lists. Subscriber lists are often available from the publications, list brokers, or from direct mail consultants. Trade shows and the contacts generated can also form a source of mailing lists.

A specific mailing list of screened prospects is prepared by the Department of Commerce through its Export Contact List Service. The DOC prepares mailing lists of prospective customers from its automated worldwide file of foreign firms. Information regarding the firms selected includes key contacts as well as addresses and telephone numbers.

Media Advertising

Media Advertising is broader in scope than other methods. Television, video, and radio are general in their scope but well adapted for consumer products. A more specific approach, particularly for commercial products, is available through print media oriented towards specific markets such as the following:

- Trade Journals - Many foreign buyers find business through advertisements in trade journals. Obviously, this provides a screening function to narrow the focus of an advertising campaign.

- Commercial News USA - This US&FCS publication and EBB promotes American products overseas by distributing it to consulates and embassies. CNUSA reaches up to 110,000 potential buyers.
- Buyer Alert - A weekly newsletter mailed by the Foreign Agriculture Service to promote food and agricultural products.
- Trade Association Newsletters and Publications - Not only can US trade association publications be used to promote your product, but also their foreign counterparts.

Whenever media advertising is used, make an effort to have it translated effectively in the local language, if possible. Screen it for conformance with the foreign country's customs, regulations, and note taboos or idiosyncrasies.

Trade Fairs, Trade Missions, and Catalog Exhibitions

There are several levels of international events and organized trips held both in the U.S. and abroad. These are frequently organized by state and U.S. government agencies, as well as trade associations and Chambers of Commerce. Some of the more prominent programs are:

- Industry-organized Domestic Fairs and Exhibitions - Most major industries in this country have their own organization, many of which arrange regular exhibits of their member's products and services. Many attract potential buyers from around the world.
- Trade Shows and Trade Missions - Organized by the DOC, Chambers of Commerce, or trade associations, trade shows are an excellent opportunity to showcase your company and products as well as make valuable contacts.
- Matchmaker Events - Often oriented to new-to-export firms, matchmaker events attempt to more closely align the exporter to prospective contacts and markets.
- Catalog Exhibitions - Catalog and Video/Catalog exhibitions are a relatively low cost method to advertise your product abroad.
- Other DOC programs - The DOC has a number of other programs, including those of the Export Development Office, Major Projects program and Textile and Apparel Export Expansion program. Contact your local DOC office for further details.
- Department of Agriculture Programs - The USDA also has a variety of programs to promote your exports including its Commodity and Marketing programs, High Value Product Services Division, and AgExport Connections.
- AgExport - connections provide trade leads, buyer lists, and publishes a weekly newsletter called "Buyer Alert" which advertises US products.

Careful planning and follow through are necessary when using methods requiring overseas travel due to the expense. The right event must be selected, materials and translators prepared and adequate follow-up assured.