



INTERNATIONAL MARKETING

Successful marketing leads to sales. Your company likely has a domestic marketing plan in place already. However, before selling products or services abroad, it is essential to develop an international marketing plan to help you reach your target market.

Traditional marketing efforts consist of the 4 'Ps' of marketing (Product, Price, Place, and Promotion) with international marketing adding three more variables: Portability, Politics and People, thus creating the 7 'Ps' of international marketing:

- Product: includes packaging design, branding, trademarks, warranties, guarantees, product life cycles, and new product development
- Price: setting profitable and justifiable prices
- Place: the physical distribution of goods
- Promotion: personal selling, advertising and sales promotion, channels of distribution
- Portability: Does your product or service travel well?
- Politics: Do regulations, logistics and local practices prevent sales in foreign markets?
- People: Do people have the disposable income to buy what you are selling in your target markets?

(Tejwani)

It is essential to establish your company's credibility. Market your company before selling your products or services. Before meeting or communicating with your overseas prospect, consider the following questions they may have:

- I don't know who you are.
- I don't know your company.
- I don't know your company's product.
- I don't know what your company stands for.
- I don't know your company's customers.
- I don't know your company's record.
- I don't know your company's reputation.

(Kantor)

The importance of establishing credibility at the outset applies to all sales promotion methods (not just in face-to-face sales presentations), including phone calls, promotional materials, e-mails, introductory letters, and business cards. It also includes mode of dress and personal hygiene.

In marketing materials, describe your company clearly. The more you know how to describe what your company does -in a short, confident, and enthusiastic way- the better. Keep in mind that a long PowerPoint presentation may result in your audience becoming inattentive.

In your marketing communications, don't force your reader to wade through your message to find who you are or what you do. Consider that the English version of your promotional materials may not translate well to another language. Avoid vague statements such as, "we can



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help your company meet the expectations of your clients" or "we are a global leader in...." and "buy our products and save!". Instead describe exactly what you do, and exactly what benefits you offer. Delete tired slogans, convoluted language, industry buzzwords, and definitely don't assume your business/American acronyms make sense or are the same in other countries.

Tailor your marketing/sales presentation to your audience. Follow international business standards, such as exchanging business cards, showing up on time, and dressing as your potential customers would expect a serious international businessperson to dress when visiting their country.

Do research on how to do business in a foreign country before going there. You can use your VEDP Trade Manager for their insight.

Remember that you are not from your customer's culture - it may not always be necessary to "do in Rome as the Romans do." Rather, use your common sense and remember that everything is negotiable if you and your prospective business partner trust each other.

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The following topics/questions can be used as a guide toward developing your marketing materials and communication.

Geographic/Social Cultural Analysis:

Why did you select this area over other possible markets of the world?

Are there any factors in this market that could impact your ability to be successful?

Consider climate, geographic location, language and customs, cultural and religious norms, business practices, population, disposable income, level of imports and their sources.

See VEDP FastFacts "Developing an Export Plan"

Product Analysis:

Describe your product, the function it serves, why customers value it and the problems it solves for an end user. Will these functions be valued in the same way in the target export market? What products are currently available in the target export market to meet the needs of your potential customers? Describe your product's strengths and weaknesses in relation to your competitors' products. Will it do a better job, improve accuracy, save time or do it more economically?

Customer Analysis:

Describe the profile of your present customer base. What are their buying habits? How are the customers in your target export market similar to those in your present market, and what are the characteristics that are different? What are some of the concerns your foreign customers may have in buying your product? These might include high prices, servicing problems, financing, technical backup, perception of your long-term commitment to the market, etc.



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Distribution Analysis:

What are the main channels of distribution for your product at the present time? Will similar channels be available in the target export market, and will they be the most effective in this new market? For the target market, consider the quality of the infrastructure, including suitable transportation services (roads, trucking, trains, planes), and telecommunications.

Promotion/Advertising Analysis:

What promotional activities are you undertaking at the present time? List the promotional vehicles available to promote your product in the target export market (such as trade publications and trade fairs). What are the packaging/labeling requirements in the target export market? What language translations or modifications are needed?

Pricing Analysis:

What is your domestic market price structure and price list? Describe how the price structure may change in the target export market. Discuss the effects of the costs for transportation, insurance, duties, taxes, commissions, changes in packaging, technical translation, etc. What is your price list for the target export market in their currency? How will any required price changes affect your competitiveness in the target export market? What are the terms and prices of existing competitors' products in the target export market? What is the lowest gross profit margin you can accept in order to gain market entry?

Financing Analysis:

What are the potential currency problems in your target export market (i.e. foreign exchange risk, inflation, multiple exchange rates)? Discuss your target export clients' ability to pay for your goods, in U.S. dollars. What method of payment do you intend to use for customer billing in the target export market? What is the common industry practice in that market? Have you discussed finance options with your bank, such as using letters of credit?

See VEDP FastFacts "Payment Terms and Export Financing Resources"

Industry Profile/Competitive Analysis:

Describe the industry structure in the target export market. Who are your competitors, how would you rank them, and what type of pricing to they offer? What foreign standards (i.e. consumer, government health and safety, etc.) should your product meet? Are foreign co-production or assembly requirements an issue? Is there a requirement to maintain and service the products locally in the target market? What are the import regulations and restrictions? Are there requirements to trade through local representatives or through government bodies?

(Curry)

THE INTERNET— AN INTERNATIONAL MARKETING TOOL

For international marketing purposes, the internet is an invaluable tool to reach the global marketplace. If your business already has a website, then you are one step closer to effectively reaching the international market. The following are some reasons why the internet is your ultimate international marketing tool:



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- No other medium enables you to so quickly and inexpensively communicate with, learn from, and sell to, a highly targeted, global audience.
- While it does not allow for physical meetings, it facilitates interactive, multi-media and almost instant communication between people from around the world.
- The Internet facilitates all elements of the traditional marketing mix (4 'Ps').
- You can conduct customer research on the Internet to help modify or develop products based on the needs and demands of different buyers (i.e. buyers from different countries). With this knowledge, you can tailor different products to different buyers.
- You can use the Internet as your interface with customers regarding their product and service inquiries.
- The Internet can be used for international orders, payments and distribution.

Before faster communication and internet use can further help your marketing communications and reach, be aware of how it is translated. Whether from a brochure or a website, keep in mind that you cannot simply translate directly from one language to another. There are some infamous examples of major U.S. companies making serious translation mistakes, such as: Kentucky Fried Chicken's "Finger Lickin' Good" slogan translated into the less-appetizing "Eat your fingers off" in Chinese.

Vicks had to change the name of its products in Germany when it was discovered that Vicks sounds very much like a German expletive.

Schweppes Tonic Water became Schweppes Toilet Water in Italian.

Chevrolet's Mexican ad campaign for its "Nova" model sounded in Spanish like "no va" – "does not go."

(Kimberlin)

See VEDP FastFacts "Intercultural Communications"



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VEDP SERVICES

The VEDP offers a number of export-related services to Virginia businesses, including group market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- Marketing Resources and Links: <http://www.knowthis.com/weblinks/global-marketing>
- Business.com International Marketing: <http://www.business.com/directory>

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Last Revised: October 2009

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