

# Global Buzz Marketing

## So you want to go international?

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### Four lessons for global business success.

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Some would argue that President Bush entered Iraq focused on short-term “quick hits” at the expense of a sustainable, long-term strategy. According to these critics, the White House didn’t comprehend what it would really take to succeed in the long run.

No matter your opinion on that thorny subject, it’s inescapably true that U.S. companies routinely enter overseas markets with neither a long-term strategy nor a realistic appreciation of what it takes to succeed. Remember Management by Objectives? For too many companies expanding internationally these days, it’s more like Management by the Seat of your Pants!

The horror stories are endless. There’s the one about a local technology company that ran a shocking but nonetheless effective ad in U.S. publications. When it came to Europe, however, the CEO ignored the advice of experts and decided to run the same ad. Predictably, the “in-your-face” nature of the ad, which made it successful with American buyers, backfired in the U.K., Italy and Germany where it was seen as arrogant, offensive and even confusing. The fact that the ad touted discounted pricing and carried a price in the copy was equally vexing in some markets. After losing time and money, and alienating important resellers, the company ran ads that were suited to each country.

Why do so many American firms fail overseas? For starters, they don’t take time to learn the basic lessons. They just keep making the same mistakes over and over again! Here are four lessons for addressing the most common pitfalls of international expansion.

### Don’t Wait

You think this is a terrible time to expand internationally? Sure, economic conditions have been horrible in recent years. Companies have hunkered down and delayed their international expansion plans until things get better.

Guess what? They’re probably wrong! The plain truth is that without an international strategy, most companies will never become market leaders. One wonders, therefore, why so many companies sit on the sidelines until it’s safe to “go international,” subsequently scratching out marketshare with everyone else who waited for the right moment. What’s the lesson? The right moment is now. Get yourself established while the competition is sitting on its hands. Then, it’ll be time to harvest your investment while everyone else is just booking flights into your new market.

- marketing audit
- marketing strategy
- global market planning
- translation/localization
- product rollouts
- market research
- global team development
- public relations
- web development
- program management
- events
- design and production
- advertising
- telemarketing
- channels/programs

### **Be Strategic**

Most companies expand opportunistically or simply as matter of convenience. Too often, they choose to launch internationally because the government created a particular incentive or the CEO met a certain distributor. Greater Boston companies typically think of Europe first because of its proximity. Companies often choose Canada or the U.K. first because English is spoken there. These are not acceptable strategic criteria. Rather, they are guesses based on convenience. And London is more expensive than other European cities to set up operations.

Only a clearly defined strategy can prioritize and organize your market approaches. For example, is it logical to create an expensive Mandarin Chinese version of a product because a buyer suddenly wants it? To answer this question, you need first to know where your greatest market potential exists. Maybe a much smaller investment in a Spanish version of the product will open up vastly more lucrative and accessible markets in South America, the Caribbean and Spain. It depends upon the strategic choices the company makes in advance of international expansion.

### **Do Your Homework**

Here's where research enters the picture. Which markets offer the greatest potential for your product or service, and why? Who are your competitors in these markets? What level of investment will be required to succeed? Hopefully, the answers to these questions will be detailed in your international plan.

Customers in other countries may have very different problems to solve, needs to satisfy, and opinions about doing business. They also operate differently. In Italy, for example, trade shows really matter. They provide a social context that is far more conducive to deal-making than a slick ad or a telemarketing call. German buyers, however, generally require extensive technical documentation early in any sales cycle.

In assessing the competitive landscape, it's perilous to ignore non-U.S. players. In the late '80s, the international team at one Greater Boston software company warned management about a then-unknown German company that was coming on strong. The staff believed the company was a serious competitive threat in overseas markets and even, someday, right here at home. Management ignored the evidence, simply because the potential rival was based somewhere in Germany and not here. That company became SAP, and it wasn't long before it also became the definitive market leader.

### **Act Locally**

Imagine placing a country manager in the U.S. who has been to this country only once or twice and who can't speak English? Well, we do this all the time overseas. Just because somebody is your best sales manager here doesn't qualify him to "run Europe." Successful international companies hire locally and know how to tap into existing personal networks. Alternatively, they work with "business accelerators" who provide immediate networking and infrastructure, including IT, legal services, office space and temporary staff.



Products often have to be localized, as well, to meet specific regulatory, financial or business requirements. If you have planned correctly, however, your product portfolio will have been designed for ease of localization and minimal retrofitting. So too with pricing. Because of vastly varying economic conditions and buying behaviors, you may need to adapt your pricing and payment structures. Pricing flexibility is especially crucial in early-stage development, since getting those first customers up and running successfully strengthens your credibility.

**Don't wait. Be strategic. Do your homework. And always act locally.** Despite the common-sense simplicity of these four prescriptions, they remain the bane of existence for far too many U.S. firms who deserve better and, indeed, who should know better.

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You have a lot to do. **Global Buzz can help.**

