

GLOCENTRA
GLOBAL CENTER FOR TRADE



1

Export, Distribute and Market Globally



Global Center for Trade

<http://www.glocentra.com>

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EXPORT MANAGEMENT
GLOCENTRA

EXPORT & IMPORT
GESTION
GLOCENTRA

GLOBAL CENTRE DES TRANSACTIONS COMMERCIALES

GLOCENTRA

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Strategic Alternatives

2

- 1) Come up with three to five you think are the most viable.
- 2) Discuss the four you didn't select and indicate why you didn't select them.
- 3) Discuss your chosen alternative last and this will lead into a description in great detail.
- 4) Discuss in greater detail the strategy you have chosen and how it resolves challenges and enhances opportunities (be as specific as possible, use numbers, facts, exhibits, profile of distributor, customer and sales representative to present).

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Role of Global Marketing Strategy

3

Identifying and taking global actions that will lower costs of value creation and/or differentiate the firm's product offering through superior design, quality service, functionality, etc.

Establish a Market Entry Strategy

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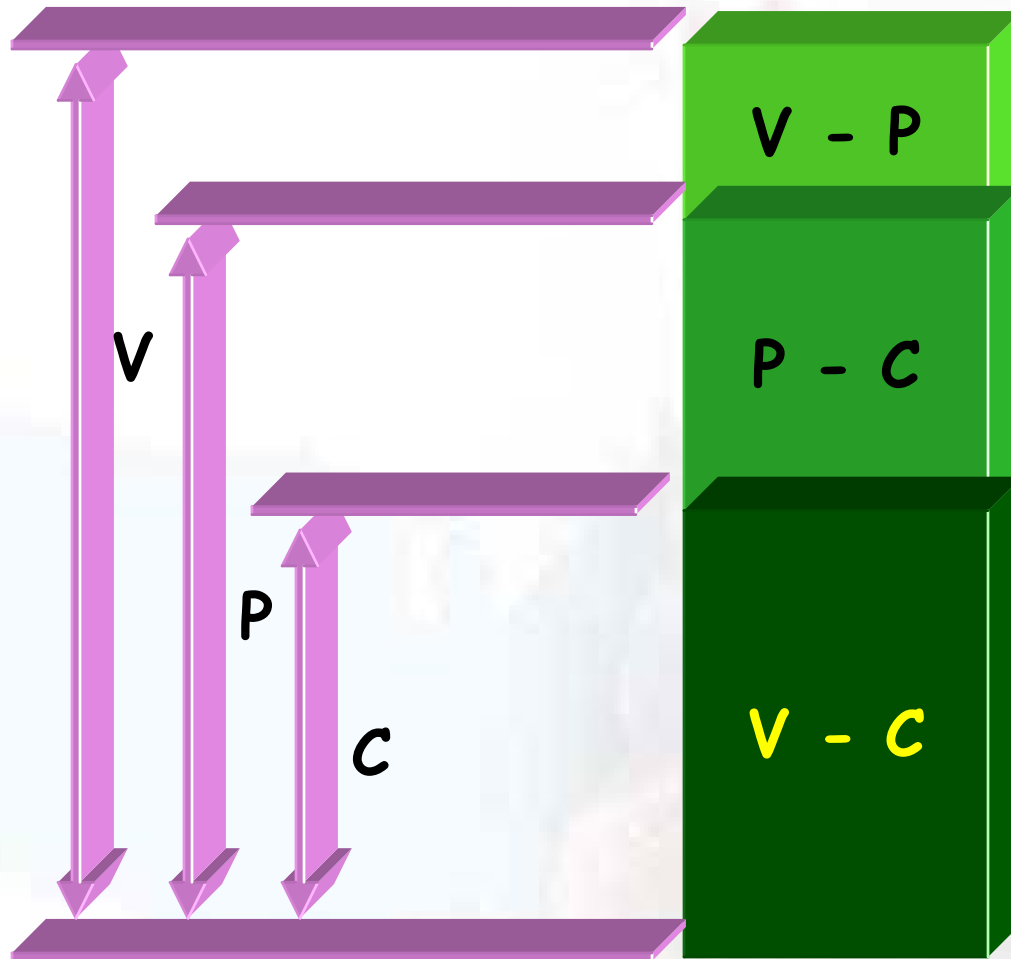




Global Market Value Creation

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4



V = Consumer Value
P = Market Price
C = Cost of Production

V-P = Consumer Surplus
P-C = Profit Margin
V-C = Value Added

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Global Market Segmentation

Select the Potential Market for your Product

Identifying distinct groups of consumers whose purchasing behavior differs from other in important ways.

Geography

Demographics

Social-cultural factors

Psychological factors

Marketing mix adjusted to reflect differing purchasing patterns in segments.

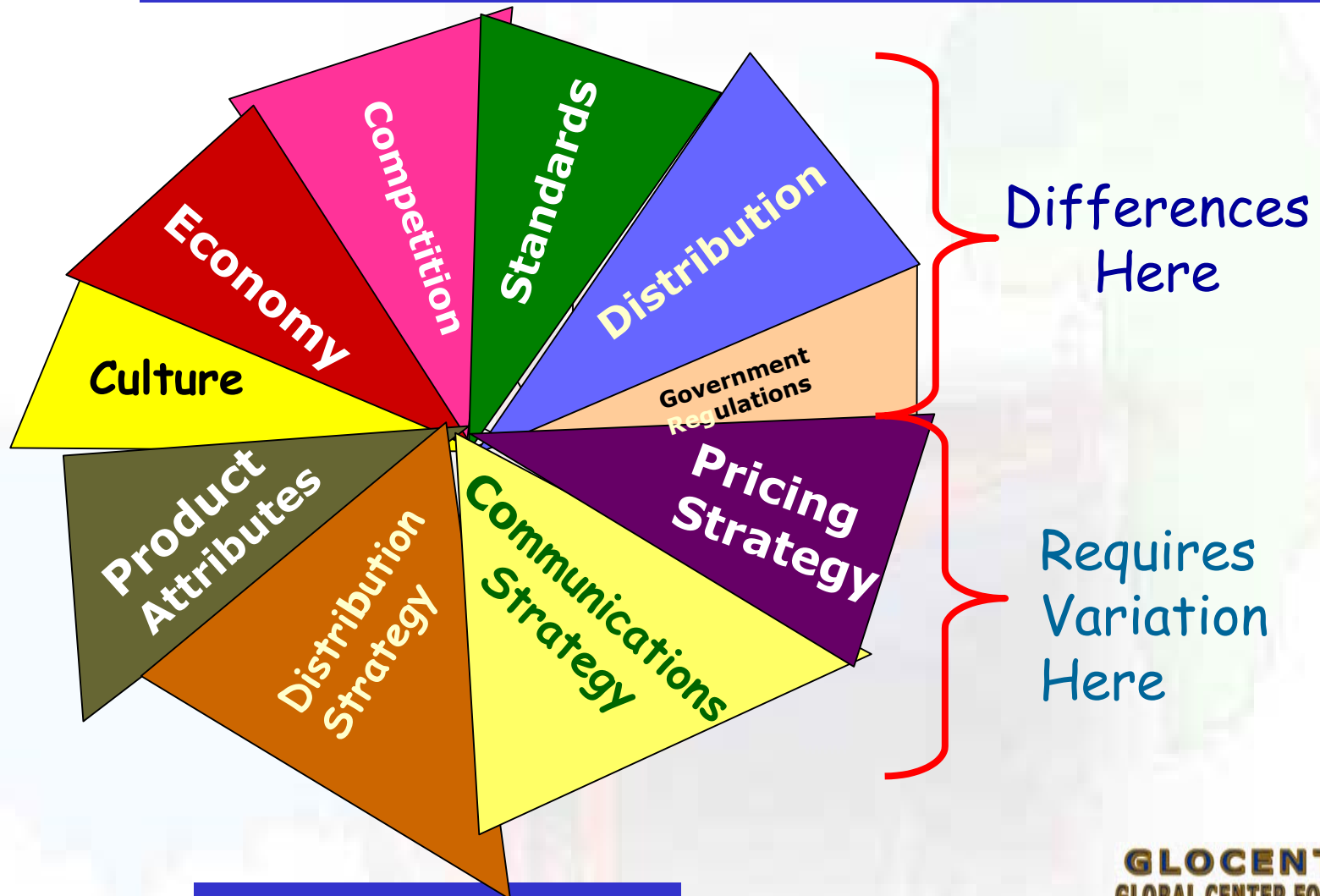
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Global Marketing - Scope of Work



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Product Attributes

 **Analyze the potential marketability of your product in the new markets**

- **Cultural Differences.**
- **Economic Differences.**
- **Product and Technical Standards.**

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Global Marketing Differences

8

- Consumer behavior is influenced by economic development.
- Consumers in **highly developed** countries tend to have extra performance attributes in their products.
- Consumers in **less developed** countries tend not to demand these extra performance attributes.
- Cars: no air-conditioning, power steering, power windows, radios and cassette players.
- **Product reliability is more important.**
- Consumers in the most developed countries are often unwilling to sacrifice preferred attributes for lower prices.

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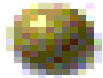
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Global Distribution Strategy

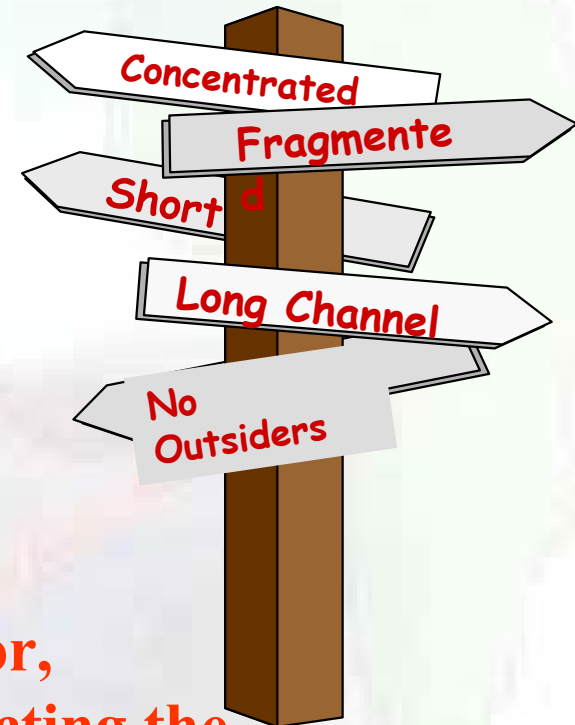
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3 Different Distribution Systems:

- Retail concentration;
- Longer the channel, the higher the price;
- But, cuts selling costs in fragmented market;
- Market access;
- Shorter channel, lower price;
- Concentrated market;
- Distributorship Agreement.

If you do decide to work with a distributor, make sure you do your homework in selecting the right firm or person. Some fantastic questions to consider will be addressed in the following slides.



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Distributor & Customer Profile

10

- What kinds of customers are currently contacted by the Distributor?
- Are the interests of the distributor compatible with your product line?
- Who are the key accounts managed by the Distributor?
- What percentage of the total gross receipts do these key accounts represent?

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Principals Represented

- How many principals are currently represented by the Distributor?
- Would the Distributor consider your business as its primary supplier?
- If not, what percentage your business would represent in the total of the Distributor operations?
- How does this percentage compare with other suppliers?

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Promotional Thrust 1

- Is the Distributor willing to help you compile market research information to be used in making forecasts?
- What media does the Distributor use, if any, to promote sales?
- How much of the budget is allocated to advertising?
- How is it distributed among various principals?
- Will you be expected to contribute funds for promotional purposes?

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Promotional Thrust 2

- How will the amount of advertising be determined?
- If it uses direct mail, how many prospects are on the mailing list?
- What type of brochure does the Distributor use to describe the company and the products that it represents?
- If necessary, can the Distributor translate your advertising copy and materials?

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Sales Representative

14

If you do decide to work with a foreign sales representative or distributor, make sure you do your homework in selecting the right firm or person.

 **Some fantastic questions to consider: Size of Sales Force:**

- How many field salespeople does the representative or distributor have?
- What are the short- and long-range expansion plans, if any?
- Would the Distributor/Sales Representative need to expand to accommodate your account properly? If so, would the Distributor/Sales Representative be willing to do so?

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Global Sales Record

- Has the Distributor/Sales Representative sales growth been consistent? If not, why not? Try to determine the Distributor/Sales Representative sales volume for the past five years.
- What is the average sales volume per outside salesperson?
- What are the Distributor/Sales Representative sales objectives for next year?
- How were they determined?

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Global Territorial Analysis

16

- What sales territory does the Distributor/Sales Representative now cover?
- Is the Distributor/Sales Representative consistent with the coverage you desire? If not, is it able and willing to expand?
- Does the Distributor/Sales Representative have any branch offices in the territory to be covered? If so, are they located where your sales prospects are greatest?
- Does the Distributor/Sales Representative have any plans to open additional offices?

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Global Sales Policies

17

- How is the sales staff compensated?
- Does the Distributor/Sales Representative have special incentive or motivation programs?
- Does the Distributor/Sales Representative use product managers to coordinate sales efforts for specific product lines?
- How does the Distributor/Sales Representative monitor sales performance?
- How does the Distributor/Sales Representative train its sales staff?
- Would the Distributor/Sales Representative pay or share expenses for its sales personnel to attend factory-sponsored seminars?

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Product Mix 1

- How many product lines does the Distributor/Sales Representative represent?
- Are these product lines compatible with yours?
- Would there be any conflict of interest?
- Does the Distributor/Sales Representative represent any other U.S. firms? If so, which ones? (names and addresses)
- If necessary, would the Distributor/Sales Representative be willing to alter its present product mix to accommodate yours?

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Product Mix 2

- What would be the minimum sales volume needed to justify its handling your lines?
- Do the sales projections of the Distributor/Sales Representative reflect this minimum figure?
- From what you know of the territory and the prospective representative or distributor, is the projection realistic?

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Facilities and Equipment 1

20

- Does the Distributor/Sales Representative have adequate warehouse facilities?
- What is the method of stock control?
- Does the Distributor/Sales Representative use computers? Are they compatible with yours?
- What communications facilities does the Distributor/Sales Representative have (fax, modem, telex, Email, Cell, etc.)?

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Facilities and Equipment 2

- If your product requires servicing, is the Distributor/Sales Representative equipped and qualified to do so?
- If not, is the Distributor/Sales Representative willing to acquire the needed equipment and arrange for necessary training?
- To what extent will you have to share the training cost?
- If necessary and customary, is the Distributor/Sales Representative willing to inventory repair parts and replacement items?

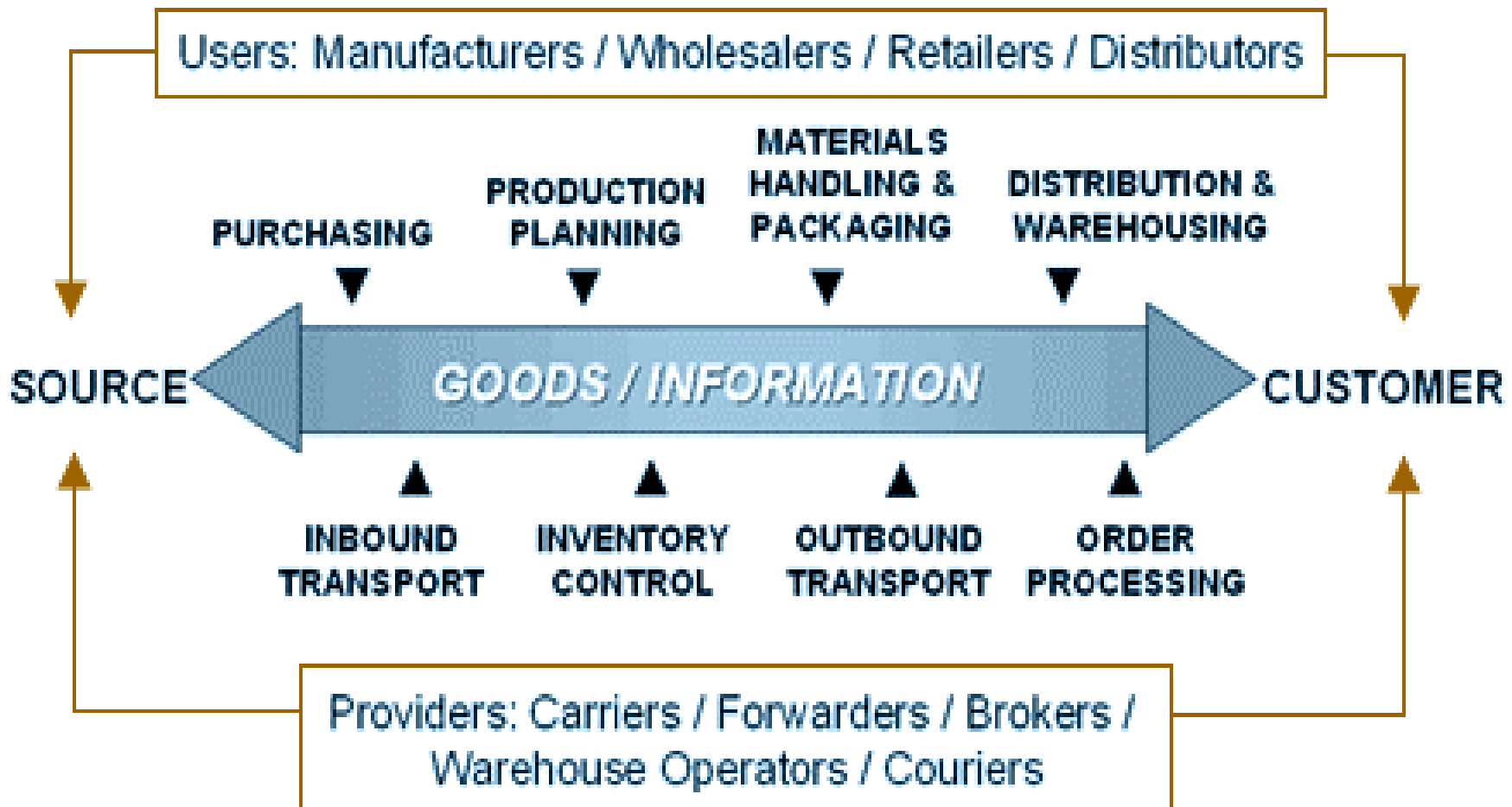
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Global Distribution Logistics



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Email us your Questions

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