

Title:

10 myths about entering international markets

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672

Summary:

Here are 10 misconceptions by companies about entering overseas markets.

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The question here is, do you think that factor alone is the necessary and sufficient condition to sell overseas? If it was always about quality, then why doesn't everyone always buy the best product?

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Article Body:

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The question here is, do you think that factor alone is the necessary and sufficient condition to sell overseas? If it was always about quality, then why doesn't everyone always buy the best product?

2 English is the universal language, so we can simply sell in English. This speaks to several issues: Does everyone in the client organization speak, read and write English? Remember, decisions often are made on a consensus basis, and your marketing materials may travel quite a bit within the clients' firms and sit on many desks.

3 Our labor cost is too high to market our product overseas.

This myth can be refuted with one statistic: Fifty-five percent of  
<?xml:namespace prefix = st1 ns = "urn:schemas-microsoft-com:office:smarts" /><st1:country-region><st1:place>Japan</st1:place></st1:country-region>'s trade surplus with the <st1:country-region><st1:place>United States</st1:place></st1:country-region> comes from industries where their labor cost is higher than ours. If labor cost was the deciding factor, then how on earth could <st1:country-region><st1:place>Germany</st1:place></st1:country-region> possibly sell anything abroad?

4 Our price is too high for overseas markets.

Are you intending to compete only on price? Many commodities (oil, wheat, cement, corn) are price-sensitive, but the vast majority of international successes aren't.

5           Our skilled marketers can take on overseas markets. If we define marketing as awareness, understanding and belief, we need to ask: Do my marketing people know how to make overseas markets aware of the product? Do they know how to explain the products, attributes and benefits in terms that make sense to the locals?

6           Our in-house foreign nationals can sell to overseas markets. In one example, a U.S.-based CEO told me his Chinese wife could negotiate with the Chinese government for market entry. My questions were: Is she a skilled negotiator? Does she understand the sales process? Does she have the motivation and energy to break into this difficult market?

7           Our local partners will handle all of the marketing. This idea of relinquishing market control while enjoying great success is rare. Most of the time, overseas partners will look toward the parent to help stimulate demand, deal with problems as they occur, get to know the distribution channels, offer subject matter expertise and show that the parent company has indeed invested in the market.

8           The customer expressed all of the buying signs, and even said "yes" to our proposal. Many firms overseas conduct their market research by posing as buyers. They conduct competitive intelligence the same way. Your banker will tell you that the sale is complete only when the money has been deposited into the bank.

9           We don't need to invest a lot; our Web site gives us a presence. Actually, your Web site gives you a brochure, but no real place where businesses and consumers can get support, touch and feel your product, get to know your company and its staff, deal with returns, make product modifications and enable co-marketing agreements.

10          If it worked here (in the <stl:country-region><stl:place>United States</stl:place></stl:country-region>), it will work there. This speaks to local ethnocentrism. Success at home also can be a hindrance to overseas success. Arrogance and impatience are often byproducts of domestic success. Market conditions, buying conditions, business practices, negotiation tactics and product specifications all differ by market.

So, how do you choose a market?

With hundreds of variables to deal with, there is finally help. The Market Access Toolkit will help. The Market access toolkit is a collection of articles, spreadsheets, screening mechanisms, white papers, booklets and audio products, compiled by experts in international market entry.

It contains episodes from our radio show: "how to lose your shirt abroad."

And with a money back guarantee, what do you have to lose?

Use the market access toolkit to analyze and choose the correct market, and the

correct way to enter it.

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