

3 Export Management



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By Export New Zealand

ExportNZ is a national member organisation – providing advocacy, inspiration, practical support programs, training and networking events to help members achieve their international business goals.

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Before you decide to export

This may sound like a no-brainer, but before you decide to export you need to have a product or service that you have tested and been successful with in the New Zealand market. The reason being is that exporting will cost you twice as much and take twice as long to get a return from than you think, so you need a decent war chest to go into battle with. Not many businesses are 'born global', and even a so-called 'weightless' digital business will need investment behind it to get noticed in international markets.

When you are making this initial decision as to whether you are ready to export, you can access some help online from NZTE – they have an 'exporter 101' course called Export Essentials. You can do it in person (a two day workshop) or look at all the course material on the NZTE website www.nzte.govt.nz

If you join ExportNZ we will connect you with companies that have export experience in a similar sector – companies that will be able to give you some good advice.

ExportNZ is all about exporters helping each other, and our members are very generous in sharing their learnings.

Selecting your market

Prior to selecting export markets undertake market research to verify the proposed target markets. In addition to statistical analysis, ask:

- Is there an established demand for my product or service?
- Will I have to spend time educating consumers?
- Do I have a value proposition advantage?
- Is it sustainable?
- How much competition is there?
- Can I be competitive taking into account logistics and exchange rates?

There is no substitute to going to the market yourself, even as a tourist for a reconnaissance trip.

Secondary research (i.e. desk research) is relatively low

cost, but will have to be combined with some primary research. This may involve use of a local market research company or undertaking direct research yourself. You may be able to tap into foreign students studying in New Zealand for some more affordable customer focus group work.

Your market research strategy plan will need to ensure that all of the important questions are answered and provide evidence of real chances of success. This will enable market entry decisions to be made with confidence.

Companies are more successful if they focus deeply on one market, rather than spreading themselves too thinly and taking a scattergun approach. Don't be distracted from your strategy by random enquiries from potential customers in different markets.

If your product is food or beverage, you can access some quite helpful market research done by MBIE for exporters at: <https://bit.ly/2MdMdvT>

Market positioning

Market positioning, market representation and price setting are among the most critical aspects of export management. If not well understood before starting negotiations and/or business in any market for any product or service, serious errors can be made which, at best, can be expensive to correct and, at worst, fatal to a company's exporting.

Selecting the route to market, setting product or service standards and prices and how to be represented in a market are critical decisions. The effect of price setting on securing sustainable sales and the profitability of such business is immense.

It is a topic that tends to be overlooked by many exporters in the early stages of entering a market, often as a result of pressure to "get business going".

Attending a trade show in an 'observer' capacity before you invest in exhibiting can be a lower cost way to understand the competition and where your product or service sits in the market.



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