

3 Export Management



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By Export New Zealand

ExportNZ is a national organisation run by exporters for exporters – providing advocacy, inspiration, practical support programs, training and networking events to help members achieve their international business goals. Email cbeard@exportnewzealand.org.nz

International market research

Prior to selecting export markets companies need to undertake enough market research to verify the proposed target markets are indeed likely to lead to export success. In addition to statistical analysis, answers should be sought to such questions as:

- 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?

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. 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.

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".

Distribution

The selection of the most suitable route to market for your product or service needs to be well researched

before entering into any serious discussions with any potential operator. Decisions on whether to market directly to end users, through existing distributors of like products or services, totally new distribution methods or through your own distribution company in the market you are entering must be considered.

Once you have decided on the route to market then a thorough study of potential candidates must be undertaken. It is best to draw up criteria for the selection process and to spread the net wide. Always resist the temptation to make quick decisions and consider whether you are prepared to offer exclusive distribution or not. It is always wise to involve experts as early in the process as possible. Don't get locked into long term contracts you cannot get out of in case your distribution partner or channel does not work.

Social media and Internet sales

Understanding the impact of social media on businesses is integral to the success of enterprises in the current global market and e-commerce, and therefore important to management.

The rise of social media and e-commerce, particularly in Asia, cannot be ignored.

In the past five years, China has witnessed an explosive growth in the number of social media users and local social media channels. There are two drivers behind this uplift – the growth of Internet penetration and the blocking of Western social media channels.

The blocking of social media platforms from the West, such as Facebook, Twitter and YouTube, has led to the development of local social media websites – such as WeChat. These local platforms cannot be ignored and businesses looking to expand into China or target the affluent Chinese diaspora worldwide must now include Chinese social media as part of their digital communications strategy.

Market representation

How you intend to be represented in a market must be considered as part of the process of deciding on your



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