



Translation of the interview in 'Der Vertriebsspezialist' - DVS - Deutsche Verkaufsleiter Schule ('The sales specialist' - DVS - German sales manager academy) - edition 1/2010 - March 2010

Title: 'Targeting customers worldwide'

How can small and medium-sized companies open new markets successfully? The international marketing consultant Michael Richter knows the most efficient strategies.

## Question - DVS:

How do companies recognize the right time for themselves to enter international markets?

## Answer - MR:

In fact there is no 'right' or 'wrong' time as nowadays no producing company in the world can survive without international markets. Corporate growth without international business is nearly not imaginable.

Besides of the fact that a company will become more independent from the domestic economy, thus stands on a broader basis and becomes more stable, one learns incredibly much - a. o. also for the local market - if one deals also with other markets and mentalities.

As a member of the European Union Germany is no more alone and - as an interesting and rich market - is part of the world market as such which is of interest for all foreign companies. As producers from other countries come here - an example can again be the automotive industry - we have to go into the world, enter the worlds' markets, and compete locally.

However: All activities have to be thoroughly planned and implemented.

## Question - DVS:

Small and medium-sized companies very often are reluctant to invest time and money needed in order to conquer new markets or are not even in a position to do this. Which possibilities exist to tout by and by in foreign countries?

## Answer - MR:

Well, I simply ignore the word 'touting'. But earnestly: Of course every company has to make a itself a 'brand', whether through internet-activities, advertisements or mouth-to-mouth propaganda, direct mail, email, etc. Yet: We are part of a buyer market and no more a seller's market, i. e. the client decides where he buys. And the Internet is for buyers the best instrument they ever had.

For initial contacts the international exhibitions in Germany can be used to present the enterprise and to get into contact with other exhibitors and visitors.

And again the Internet. In my opinion this is also a pretty easy way to have first connections with other markets, without investing too much at the beginning.

A well-designed and meaningful homepage, optimized for the search engines will also cost a few thousand EURO or Dollars, however, - if you wish so - with it one can also 'test' the reaction of foreign customers.

But - one can never hope for 'the fast buck', as Internet business is not really easy. There is no big sense in being listed in the results of a search engine somewhere after place 40 or even later.

My site shows in the navigation left at 'Services for you', '[Success in the Internet](#)' which results are possible even with hundreds of millions hits from Google or others.

Nevertheless it will take some time to be perfectly found in the search engines and after a 'click' the visitor or potential client has to be convinced and prompted to react. For this everybody needs some experience, suitable 'marketing copy' to interest the client and, last not least, some luck.

An ideal solution does not exist.

I told already many clients: "You do not have an alternative: 'All or nothing'". This means that you cannot conquer a foreign market 'totally planned'. Of course the entrepreneur can limit himself and start with one market only. However, if foreign clients realize that there is somebody offering something good then he may get inquiries also from other markets and he cannot simply deny these, right?

I think it is generally important that a company makes up its mind how it will become international in its marketing efforts, suitable for itself, tackle one market first but remain open for inquiries from other countries. Thereafter it can also start the international activities there – after prior thorough research and planning as said before.

#### Question - DVS:

There are many target markets. From the near European countries via Russia, the Near East to Asia, Africa or South America. How do companies find the suitable target markets for their products or services?

#### Answer - MR:

Yes, all regions mentioned are of high interest. But I already said: We are on the world respectively world markets.

I am sure that generally every entrepreneur knows which kinds of clients are available for him.

Industry associations – in which also SMEs are members – will provide information where he can find relevant markets/countries for him and thus he will in general have 'his' target markets. But also Internet-portals like [e-trade-center](#) and [gtai](#) provide lots of information.

Thereby he can come to a regional 'pre-selection'. To further limit this he can perform additional research – again via the Internet, industry associations or other organizations – and find out which regions/markets could be of specific interest to him/his company.

And – as you mentioned already – finally it depends on the investment he intends or is prepared to make, which knowledge and languages regarding foreign markets are available in the company and which commercial risk he is prepared to undertake.

Some advice on international business is also available from this '[Global-IQ-Test](#)'.

There a few questions are discussed which are important for every entrepreneur wishing to market internationally.

Thus we come full circle. Apropos regarding circle: On my site I have included a '[Marketing control loop](#)' which I developed years ago, and which presents to every company some advice concerning the research to be done and the interdependencies to have in mind.

#### Question - DVS:

How has a professional market analysis to be elaborated which gives a basis for a final decision PRO or CONTRA specific target markets?

#### Answer - MR:

This is also part of the control loop mentioned before and the marketing plan to be elaborated thereafter contains all fundamentals for decision-making. To mention here all single steps would be by far too much for an interview, but one can see and read it there.

For a final decision, however, an SME – having no or limited experience in foreign countries and who does not want to pay for initial mistakes repeated again and again – should ‘buy’ some ‘expertise’ and discuss the best and most economic way to go.

No one can relieve him from the entrepreneurial decision anyway, because – even with a very thorough planning and preparation – marketing efforts/cost can only in a few cases be finally decided in cents.

#### Question - DVS:

Which international markets are in your opinion most difficult for German companies and why?

#### Answer - MR:

You have mentioned them all before. During my activities as a marketing manager in different companies I had the chance to visit most of them several times and to do business there.

No market is really easy, first of all due to the difference in language and mentality. For foreigners the German market is surely very interesting, however, at least as difficult as other countries and mentalities for us.

In general one could say, that the Near and Far East are more complex than the European neighbors, as ‘we Germans’ are known there as well as we know people in Europe better – from vacation or news, etc.

This ‘complexity’, however, is valid as well for South America, as for Eastern Europe, again because of the language and further peculiarities.

As said, the Eastern mentalities – from Poland to China, but also in South America – are difficult for us as ‘the clocks do run differently’ there, i. e. one has to look more detailed into and be prepared more thoroughly with regard to the behavior and mentality/history there than it is necessary for our European neighbors. In addition one needs to have a more patient, however, consistent approach to any project. Furthermore it is important to know that many of these countries insist very quickly on the production of parts of the final product locally. This can be a further problem for companies interested to go there but this can also be handled relatively easily.

Overall it can be said that every market outside Europe will be difficult for us, even the USA. It may be a bit easier there but again here the entrepreneur should prepare himself thoroughly – unless he has somebody in the company having done business with them already.

Being thoroughly prepared will make a lot of things easier and faster for him and he may even reach a certain competitive advantage as many people underestimate this fact. This, however, could turn out to be a big failure, unimportant how good and well known the product is.

I remember that once Coca-Cola had quite some problems to market in China, due to the fact that they used Chinese characters having a totally different meaning. It took obviously some time to correct.

#### Question - DVS:

Many companies still suffer from the effects of the economic crisis. Which advice do you have for those reaching on the one hand their turnover ceiling on the domestic market, however, on the other hand do not have the funds to develop new markets?

#### Answer - MR:

In fact I see a slight discrepancy here:

If I reach a turnover ceiling then I am quite good settled on the domestic market and I should have enough funds, unless the market segments are saturated. Or I did not do my home work sufficiently and can – or even must – do something to market better in order to reach more on my domestic market.

But in this case as well the visit of exhibitions and the Internet have to be mentioned. For exhibitions this is valid, however, also for those in the neighbor countries as there are quite a lot of foreign visitors to such exhibitions, who do not come to Germany but go to France, e. g. for the reason of mentality.

It is a fact that you cannot plan with an Internet presence like selecting and treating a market yourself. But without an Internet presence nowadays no company can exist and if it is well-designed and correspondingly marketed, e. g. with the relevant search engines, associations, etc., then interested parties will certainly contact us.

And finally it is the decision of the company to start further activities on such new markets or not.

#### Question - DVS:

What does internationalization mean for the personnel policy of a company?

#### Answer - MR:

First of all the employees looking after foreign business have to have experience and corresponding language knowledge. A good education always is a good basis, experience, however, 'cannot be learned, but must be made'. This is especially true for all international activities.

Every company should give employees the opportunity to learn or one has to engage an experienced employee who, however, may be expensive.

In addition the marketing and sales-employee should have corresponding colleagues in the other departments who can empathize with foreign requests. Very often there are requests from foreigners, like those regarding the products, but also regarding payment, etc., which need understanding and flexibility within other departments of the respective company. And if there is nobody who is prepared to check such requests and how to answer/react then there is no real sense in successful sales and marketing efforts.

Finally the personnel policy will have a positive influence with regard to the flexibility of the company, their possibility to look beyond their own discipline and thus to make the company permanently more attractive – as well for clients as for the employees.

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#### Biography/Vita

Michael Richter is an independent consultant concentrating on the strategic marketing of investment goods and long-lasting consumer goods. His experience covers all sales channels, like B2B, distribution, partnerships, internet marketing and more. He has more than 18 years experience as a consultant and was active before as a marketing and sales manager in different industrial companies – from SME to global player. He supports companies of every size – from strategic market research to marketing planning and formulating objectives for sales and to the implementation of his consultancy results – worldwide. In addition he holds internal lectures about all aspects of international marketing. His country knowledge covers more than 50 countries on all 5 continents.