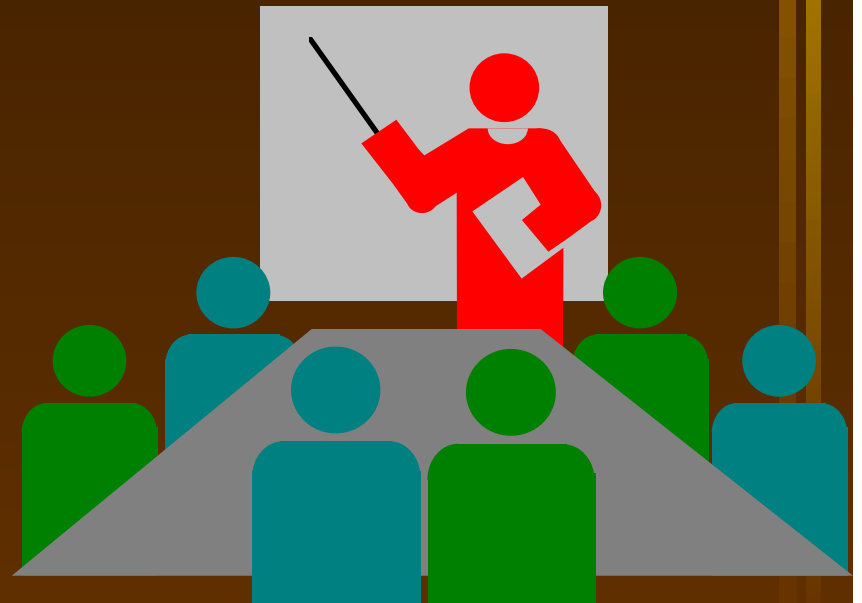


# REACHING OUT TO FOREIGN MARKETS:

## Using E-commerce and Going Beyond Having a Website

- Presenter: Linda Aines
- Business & Export Specialist
- University of Vermont Extension



# HOW MUCH DO WE EXPORT?

- US import/export = about 18%-22% of our GDP.
- That's the lowest of any major industrialized country.
- Germany and Taiwan import and export about 60%, Ireland does 180% .
- (Our 18% does make us the largest trader in the world, however.)

# VERMONT Export Facts

- Vermont was 2nd in the U.S. in per capita exports in 1998
- Vermont exports almost \$4 billion in goods and services annually
- Vermont is host to more than 120 foreign companies
- 4 out of 10 Vermont companies export paying wages 17% higher than non-exporting companies

# Challenges and Opportunities

- World Population = 6 Billion persons
- Less than 5 percent (273 million) of the world's population lives in the United States
- Marketing goods and services only within our nation's borders misses more than 95 percent of the world market



# Old Methods for Reaching Foreign Markets:

- **participate at trade missions and trade shows**
- **Visit the Country..... Make an exploratory visit to your target market --learn the business practices,**
- **Research Markets---Be familiar with Cultural Differences**
- **Try a test market and Make the Foreign Freight Forwarder your Friend!**

# The INTERNET

- Prior to 1990-- Used only by Government or Universities
- Since 1990- -- became Commercial
- CAN HELP JUMPSTART FOREIGN SALES



# Web Sites-- as retail stores or Billboards

- Cyber Malls or Shopping Centers
- Industry trading Centers, where buyers and sellers can post their inquiries and offers
- List Servs, Discussion Groups, Online Communities

# E-COMMERCE MARKET POTENTIAL

- Latest Estimates = 150 million ++ Internet users

Users coming on-line at growth rate of 18% per Month!!!!

- In Last December's pre-Christmas season, purchases on the net exceeded expectations and climbed to over \$20+ billion. (Source: CNN)
- Predict \$1.3 trillion Business-to Business Sales by 2003. (Source: [www.forrester.com](http://www.forrester.com))

# BENEFITS OF E-COMMERCE:

- Faster delivery
- Shrinking Marketing Distribution, costs Channel ---no middlemen
- Direct contact between buyer, seller
- Capture of customer information  
---better market intelligence
- Open 24 hours a day

OVERALL, MORE EFFICIENCY!!!

# IMPORTANT DISTINCTION

The Internet--not a marketplace of 100 million or more users worldwide. Rather it is thousands of micro-markets and networks.

## **To Be effective:**

- **Understand your targets,**
- **Qualify your contacts**
- **Quantify size of opportunities**
- **Zero in on these--maximize effort**

# OPPORTUNITIES FOR ONE-TO-ONE MARKETING

- Websites:
  - One-on-One Interactivity
  - Option to "Opt-In"
  - promotes remembrance, loyalty
- E-Mail
  - allows "Push" strategy
  - Reaches customer without requiring visit to web site.
  - good for ongoing interactivity, mktg message targeted to individuals.

# TRADE LEADS ON THE NET:

- Bulletin Boards with offers to buy  
offers to sell

Post your own ad

- <http://www.uvm.edu/~laines/export> brings together many bulletin boards.
- an “additional” instrument to do business for Marketing to millions,  
.....one person at a time.

# FOR MORE ACTIVE TRADING

- Post announcements everywhere where there is an opportunity
- look over other people's inquiries or postings. If there is a potential match --send them an e-mail with your own inquiry or offer

- As in the laws of direct Mail,
  - Send hundreds of inquiries
- ONE CUSTOMER CAN BECOME A LIFETIME CUSTOMER

- ONE SALE OF \$100 CAN BECOME \$100,000 OR MORE

# COST OF ADVERTISING ON THE NET

- Compared to traditional advertising , **investment** in Internet advertising is **MINIMAL...**

- **TV Advertising**  
**\$300,000/per ad or**  
**1 million +/yr**
- **Print Advertising**  
**\$10,000+ / year**
- **Internet /Web Advertising** **\$1100**  
**per year!**

# Are you ready for **Export**?

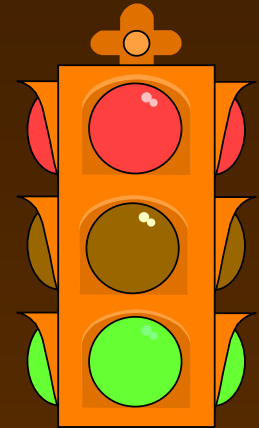
- ✓ **Domestic Market**  
-Is your domestic market operating smoothly?
- ✓ **Production Capability**
- ✓ **\$\$ Financial Capacity**
- ✓ **Top level Management Commitment.....**  
Is Top Management is willing to give export effort  
**2 - 5 years ?**

- ✓ Are sales inquiries being received from overseas?
  - What product lines are mentioned most often?
  
- ✓ Some products may have limited potential in Markets outside the U.S.
  - a.) lower purchasing power
  - b.) unsophisticated handling
  
- ✓ If U.S sales are declining, an export market may exist
  - (i.e. Less developed country may view your product as "new" and "advanced")

- **Production Capacity**

- Quality Standards
- Packaging Change Flexibility
- Product Perishable?

- **Can you be Price Competitive???**



# Some Programs in place to Help you Export

- To help you get information about markets and opportunities abroad,
  - World Trade Office,
  - SBDC's, Universities ,
  - US Dept. of Commerce,
  - State Dept. of Economic Development
  - Chambers of Commerce,
  - private consultants



Access online: [www.vermontrade.com](http://www.vermontrade.com)

**~THE END~**

*Thank you.....*