::: conductor

The International Marketing Playbook



Expanding internationally can bring significant revenue uplift to a business. However, expansion can be fraught with pitfalls if not managed correctly.

Case in point: less than 50% of businesses' international expansion efforts succeeded, according to a recent HBR analysis. The reason for these failures primarily boiled down to one thing: lack of preparation. A narrow vision, insufficient research, and limited follow-up after launch were notable shortfalls. Additionally, businesses that failed to meet expansion goals typically had over-standardized, rigid marketing practices that didn't allow for agility or adapting to the local market and audience needs.

How can you avoid these limitations? This in-depth guide walks you through the foundations of international marketing to help you jumpstart your expansion efforts. You'll learn the advantages of multi-national growth and gain essential insight on how to market in other countries.

Let's dive in.

What is international marketing?

International marketing is the process of planning and executing the conceptualization, pricing, promotion, and distribution of goods and services across the world.

As such, international or global marketing is a multi-faceted discipline that involves aspects of finance, production, communications, and sales. When engaging in international marketing, you adjust your marketing strategies to reach consumers, buyers, or users in other parts of the world.



Why is international marketing important?

Today's world is more connected than ever, thanks to technology and infrastructure, which makes international growth more accessible for organizations. Businesses may gain significant potential advantages from global expansion, such as:

- Fueling next-level revenue growth. Many foreign
 markets provide a lucrative opportunity to gain new
 customers and sell more goods and services. Some
 countries have high populations and massive purchasing
 power. That said, reaching these markets may be
 resource-intensive, so targeting emerging markets first
 might provide a more sustainable growth trajectory.
- Extending reach beyond a saturated market.

 Although we live in a global economy, that doesn't mean all international markets have the same level of maturity.

 A hotly contested market in the US may be developing in another part of the world. Instead of funneling resources and energies into competing in an oversaturated domestic market, businesses may find expansion brings more growth opportunities by entering a less competitive regional market. Plus, having traction in several countries can help an international business sustain growth even during economic uncertainty or recession.
- Staying competitive. Moving into a foreign market may
 be necessary to keep pace with competitors. If you're an
 early-mover, your international expansion efforts can put
 you a step ahead. Larger enterprises that aim for industry
 or market dominance may see international expansion as
 an imperative.

Also, businesses that expand overseas <u>can reap operational</u> <u>benefits at home</u>. International businesses gain new competitive intelligence, develop cultural sensitivities, and adopt better management practices.

For example, when considering expanding into Europe, ou need to know that the region has different cultures, languages, economies, and regulations. Your marketing needs to be attentive to all of these distinctions:

- Culture. Culture is the collective mindset and behaviors that distinguish one group of people from another. One resource for understanding culture is the Hofstede Model, which includes six dimensions of culture: power distance, individual vs. collectivism, tough vs. tender, uncertainty avoidance, long-term vs. short-term orientation, and indulgence vs. restraint. Understanding how different cultures reflect these values can help businesses know how to target and communicate with international audiences.
- Language. The European Union (EU) has 24 official languages, and each member country may have its own national language. As new members join, the EU may adopt new official languages.
- Economies. The EU operates as a single market and accounts for an estimated 15% of the world's trade in goods. However, the gross domestic product (GDP) for EU member countries varies significantly. Recent statistics placed Germany's GDP at nearly €3.6B, with the UK and France at approximately €2.5B GDP. On the low end of the GDP spectrum, Kosovo, Montenegro, and Lichtenstein all came in at under €10M.
- Regulations. Much like the US has both federal and state laws, regulations in the EU can be adopted at both the EU and national levels. The EU can legislate core activities such as business compensation rules and trade agreements. However, national governments can create laws related to the free movement of goods and capital, along with legislation tied to agriculture, consumer protections, and technology.

While you may have pan-European international marketing campaign objectives, you'll need to adjust your messaging to each country you plan to market in. Your international marketing strategy shouldn't be an afterthought but rather the driver of your expansion efforts.



Top tips to scale marketing in other regions

With modern technology, reaching people in other countries is easy—but that doesn't mean marketing internationally is. You can't take existing campaigns, run them in other markets, and expect to achieve the same results. Instead, you need a robust international marketing strategy that considers the unique languages and cultural nuances of every country where you aim to do business, along with regulatory and economic factors.

If you want to know how to scale internationally, implementing a structured process and applying the following proven best practices is the best way forward.

Define success

All companies are unique, and their reasons for international expansion vary. For example, a well-established brand may be angling for worldwide name recognition. At the same time, a small or medium business (SMB) may want to diversify to strengthen its ability to weather economic slumps. Other companies may want to grow revenues and secure customers to position themselves favorably for investments or acquisitions. For other firms, improving profitability may be the chief goal.

The bottom line is that there is no one-size-fits-all definition of success in international expansion. You need to reflect on the long-term goals for your company and determine what success means to you.

Create long-term objectives

Once you know what you want to achieve, you can set concrete goals to get you where you want to be. Initially, your top objective may be building brand awareness in your target markets. You can also pursue goals like accelerating revenue growth or capturing market share.

Asking yourself these questions can help you crystallize your marketing objectives:

- How will we build out our digital presence to reach international customers?
- Do we want to be a market leader or a follower? Is our brand best-in-class or on par with competitors?
- Where can our marketing efforts yield the greatest return on investment (ROI)?
- How many and which products do we plan to deploy in the new market?
- What is the perceived value of our product to service? Is it economical, valuable, premium, or ultra-premium?
- What are our revenue targets?
- How many customers do we need to acquire to achieve success?

Your objectives should follow the well-known **SMART format**—that is, specific, measurable, actionable, relevant, and time-bound. Also, you should define clear metrics to track progress toward your goals. Only then can you know you're on course to attaining your vision.



Conduct market research

Here's a sobering statistic: Nearly <u>half of the companies</u> that attempted international expansion conducted no formal research before launch, according to HBR. It's no surprise that most of these expansion efforts succumbed to failure.

One example is Danish toymaker LEGO. After decades of success in the US, the brand sought to improve its presence in Japan. Instead of driving up sales, market penetration stalled. The reason: LEGO simply exported marketing tactics that worked in the US to Japan without any upfront analysis. After-the-fact research found that Japanese consumers didn't find the promotions appealing and considered them too expensive and wasteful.

You can avoid a similar costly mistake with thorough market research. Analyzing your website traffic using first and third-party data is a good starting point:

- First-party data. This data includes information you
 collect from your audiences through your own
 sources. In the case of website data, that means insights
 on site visitors, online purchases, subscriptions, and
 survey responses.
- Third-party data. You can acquire third-party data from another, independent source that doesn't have a direct relationship with consumers. Often, data aggregators collect information from various websites or platforms and sell enriched data to marketers. Also, you can turn to entities such as the <u>United Nations (UN)</u> for information on population, educational levels, and demographics or the <u>International Trade Commission (ITC)</u> for market analysis to help you assess product and service potential in varied locales.

You can use this consumer information to clarify your total addressable market (TAM). In essence, TAM is the market potential for your product or service. For some products—such as a software-as-a-service (SaaS) solution that is usable by almost everyone in a target location—the potential TAM is vast. Other products may have a smaller target market, such as a particular age group or income level.

You need to segment the market by demographics and specific locations to refine your approaches. That way, you know how much of the market you can truly reach and focus your efforts more effectively.

Identify market gaps and needs

Analyzing consumer data and clarifying the addressable market can help you spot potential opportunities. Your best bet is finding a market gap, an area of unmet need where you can compete and win. To uncover a gap in the market, you need to be aware of your strengths, as well as your competitors'. You can also look at trailblazers who've filled gaps in other markets and strategize ways to import their success to your sector.

Identifying market gaps in other countries requires strong cultural awareness. You must understand the mindset of your target audiences to know what they need or want but can't already acquire from existing companies. On the positive front, you may be able to find examples of successful products or services in your country in another market.

How can you spot a potential market gap? Knowing current consumer preferences can provide essential insight. For example, **McKinsey & Company** research reveals that European grocery shoppers are willing to pay more for sustainable products. What's more, European consumers say they want to pay more attention to environmental and social aspects when choosing brands.

This move toward sustainability and social awareness could represent an unsatisfied need for European consumers. Companies bringing environmentally-friendly and socially-conscious products to market can fill this potential gap and achieve strong success in Europe.



Clarify brand positioning

Every business leader knows that having a clear brand identity is essential to building market recognition. However, you may need to refine your brand positioning to capture interest in international markets.

Why? Your brand position is all about owning a perception in the minds of your target consumers. Brand positioning articulates what makes you distinct from competitors and tells people what benefits they'll gain from your company. Ultimately, brand positioning is the cornerstone of your marketing strategy that drives tactics to achieve your goals.

As you can imagine, brands mean different things to people in various countries around the globe. Take the findings of one study of American and Chinese consumers.

For Americans, brands that emphasize personal characteristics—being "smart, reliable, simple, honest, elegant, and sincere"—had the most appeal. By contrast, Chinese consumers respond more favorably to brands that embody relational characteristics, namely "being socially responsible, being environmentally friendly, being helpful to the economy, being benevolent, signaling social status, and signaling the consumer's market segment." The reasons for these differences lie in culture, with Americans being more individualistic and Chinese consumers focusing more on group responsibility and harmonious relationships, according to a 2018 study on cross-cultural differences.

Extending that thinking to marketing in Europe, you can see how you may need to nuance your brand positioning for each country you serve. Europe includes **50 countries**, with more than half belonging to the European Union, and has more than 20 official languages. A particular brand positioning in one country may not work in another—you need deep insight into cultural expectations and values to be effective.

The cosmetics market in Europe is a good example. In France, men purchase more from cosmetic brands. However, in Germany, women and younger consumers are prime drivers of the cosmetics market. In Spain, the men's beauty and hygiene market is growing, with 34% of men saying they're aware of the latest personal care trends. All three nations are part of the EU, but their consumers display vastly different buying behaviors. Making it clear why adapting market positioning and messaging to each country is crucial for success.

Understand cultures, local languages, and privacy regulations

Without question, the varied cultures where you do business play a huge role in international marketing. Use the local language and adhere to in-country privacy regulations.

Culture and language

To avoid international marketing snafus, you must understand the local language and culture of the countries you are targeting. You can't shortchange the process of gaining cultural awareness and must examine your assumptions and patterns before a push into another country. Rushing into international marketing is a recipe for failure, even for well-established brands.

For example, a single linguistic misstep can lead to significant setbacks, as these notorious scenarios from household-name brands show:

- Clairol, a US-based personal care brand, launched its "Mist Stick" curling iron in Germany and lost ground due to a poor translation. The word used for "mist" corresponded to the German word for "manure," making the beauty appliance decidedly unappealing.
- Coors Brewing Company used its "Turn it Loose"
 <u>campaign</u> to resonate with American audiences. When exporting the message to Spain, the campaign quickly fell flat. The reason? The tagline translated to "suffer from diarrhea"—a bad image for a consumable product.
- Mercedez-Benz, an icon of luxury and reliability worldwide, has earned the widely-used nickname "Benz" for its vehicles. When entering the Chinese market, the company decided to use the name "Bensi," thinking that the short, easy-to-remember phrase would capture mindshare. Unfortunately, that brand name translated to "rush to die" in China. After realizing the mistake, Mercedez-Benz rebranded as "Benchi," which means "run quickly as flying"—a far better alternative.



Translation vs. transcreation

One way to become more culturally competent is to focus on transcreation vs. translation. Although these terms sound similar, they're quite distinct:

- Translation emphasizes accurately conveying the words of the original text in a different language.
- Transcreation takes the existing text and adapts it to make it more meaningful in a new language. Instead of focusing on precise, word-for-word translation, transcreation adds, removes, or changes the content to promote genuine understanding of the original text's core message.

Transcreation aims to evoke the same emotional response in the target as your original message. As a result, you must have your essential content—including taglines, core marketing messages, and product descriptions—transcreated to ensure international brand consistency.

When positioning yourself to expand internationally, one of the first marketing resources you need to consider is your website. As your external face to the world, your website needs to speak directly to your target audiences around t e globe. However, a simple translation of your text into another language is not a culturally-informed practice.

For best results, you should partner with a provider of localization services, like **Adapt Worldwide**, to ensure your contact has an impact. Ultimately, your content needs to deliver meaning and support exceptional customer experiences (CX) for everyone in every country where you do business.

Privacy regulations

Personal data is sought after by cybercriminals worldwide—and regions have taken protective steps to safeguard online users. In Europe, for example, the **Global Data Protection Regulation (GDPR)** governs how companies collect, record, and store personal data tied to any living individual. GDPR rules apply to any company that offers goods and services in the EU, even if not headquartered there. Also, if you're collecting behavioral data from people in the EU—such as monitoring web trends before launching into European countries—you're subject to GDPR.

No matter the size of your company, you must adhere to GPDR standards. What happens if you don't? Stiff fines of up to 5% of worldwide annual revenues or 20 million Euros are possible. Before you begin targeting consumers in Europe, you should ensure you can meet GPDR mandates to avoid any potential risk of noncompliance.

Beyond legal ramifications, data privacy matters to customers too. Global research from **KPMG** found that 98% of customers have concerns about what happens to their personal data. Letting people know you're protecting their personal information can be critical to winning trust and generating digital business.



Develop an international SEO strategy

Your website is the jumping-off point for international audiences getting to know your brand. Using proven <u>organic</u> <u>marketing</u> strategies can help attract the right visitors to your site to foster relationship-building and generate sales.

What's organic marketing? Simply put, it's marketing that doesn't rely on paid avenues, like digital advertising or boosted social posts. Instead of being drawn in by promotions, people find you through trustworthy, high-quality content that helps them solve their problems. As such, organic marketing can forge more genuine relationships with people who see the value your brand has to offer. Organic search engine optimization (SEO) is an essential element that helps search algorithms understand your content and present it to users who want to view it in SERPs.

When targeting customers internationally, you'll need to refine your SEO marketing strategy. As a first step, you should ensure you're focused on the right search engines. While Google dominates in the US, 14% of global searchers use other search engines. Also, you'll need to research keyword performance across various countries. A keyword that ranks well in one geography may not make the grade in another locale.

You'll also need to keep a close eye on your hreflang tags, which tell search engines like Google about the language and geographical targeting of each webpage. Problems such as missing, broken, and conflicting hreflang tags, incorrect language or regions, and a lack of self-referencing tags can cause Google not to present the correct pages to search users. As a result, prospective international visitors may not find you.

International SEO is vital but complex—and mastering it requires specialized expertise. Instead of going it alone, partner with the organic and SEO experts at Conductor. Our enterprise SEO platform ensures your website is optimized to rank well in search and reach your international audiences. Schedule a demo today to see the platform at work.

Test, fail, innovate, and repeat

When entering the uncharted territory of a new international market, you'll encounter many unknowns. The tried-and-true marketing practices that have succeeded in other countries may not deliver the same results. You need to keep an open mind and focus on testing strategies and tactics to find the

right recipe for success. If you make testing a priority from the start, you can collect valuable insights and focus on what works.

A robust test strategy is crucial. Your testing plan should cover all the bases—including digital advertising campaigns, email outreach, events, keyword performance, and more. Deploying A/B testing techniques that evaluate two or more instances of a specific tactic—such as a web page design or email subject line—can let you know which variant performs best.

But don't stop at one test. You should constantly be evaluating alternatives and making course corrections. A failure doesn't mean it's time to give up. Instead, you can flex your creative muscles, redirect, and push forward on the path of continuous innovation.

Consumer preferences and behaviors are always evolving, which means you can't rely on what's worked in the past. An agile test strategy can keep you one step ahead of market shifts.

Create regionally-specific and relevant content

Success in digital marketing depends on high-quality content creation. This is yet another area where simply translating content into another language isn't going to meet the needs of international audiences. Instead, repurpose your content by adapting core ideas, incorporating keywords, and refreshing statistics to be relevant in your target locale.

An SEO-driven **content strategy** can help you gain traction with the right readers. You can start by using **Conductor's Explorer feature** to uncover high-performing topics and find keywords for your website. However, you need to focus on building quality content that showcases your E-A-T (expertise, authority, and trustworthiness) and speaks to your target personas, as Google values this in its rankings. The most successful strategies include expertise from SEO and content strategists working together to achieve the best of both worlds—topics that resonate with your audiences while driving higher search engine results page (SERP) rankings.

When marketing internationally, you need content that works well in every country where you do business. Some topics may overlap, but you may require some distinct ideas—and keyword tie-ins—for each country. Using the right words, being sensitive to cultural norms, and honoring local traditions help set you up for success.



Invest in customer experience

Customer experience management has earned significant buzz in recent years, but there's more to CX than hype. In fact, the experiences people have with your brand shape their overall impression of the company. The customer experiences you deliver determine whether people form positive emotional bonds with your brand and buy from you again.

As Forrester explains, when people have positive experiences with your brand, they're more likely to stay loyal and refer others to you. Better customer experiences yield higher revenues. What's more, addressing a bad experience can drive significant revenue uplift. Transforming good experiences into great ones can accelerate revenue gains even more.

If you want to improve customer experience, speaking to people in their own language and delivering culturally-relevant communications are essential. You must use words and phrases that resonate with your intended audiences.

For example, you must create <u>calls-to-actions (CTAs) that</u> <u>align with cultural norms</u>. In Germany, people tend to be risk-averse and want to be well-informed before taking any action. French shoppers also appreciate clarity, but for a different reason—they value honesty from brands. By contrast, Spanish shoppers are loyal to brands they prefer, so they need less information before buying.

What's the takeaway? A short, action-oriented CTA that delivers a positive experience in Spain could be a complete turn-off to shoppers in Germany or France. You don't always get a second chance to earn someone's trust. Research from McKinsey reveals that European consumers' satisfaction with digital experiences is trending downward, with 28% citing poor user experience (UX) as the biggest culprit. Even the most loyal brand afficionados could switch to competitors after a few negative experiences. You simply can't afford to make avoidable mistakes that drive customers away.

There's no doubt that mastering the art of CX across multiple countries is a complex undertaking. However, the rewards of higher revenues and more referrals can make your efforts worthwhile.

Work with partners

The good news is that you don't have to cover all the international marketing bases yourself. By working with a network of trusted partners, you can address the precise needs of each country and reach more nimbly to market shifts.

Research from the **Boston Consulting Group (BCG)** reveals that most marketing leaders are accessing the power of partnership. Only 3% of those surveyed do not tap partner resources. Among the 97% that do, partners handle varied responsibilities, including branding, creative development, measurement, and media planning and buying. You can also work with translation and transcreation service providers, freelancers, referral partners, and influencers.

BCG explains that today's international marketing teams excel when they work with several partners, with each bringing something unique to the mix:

"The complexity of marketing today means there are simply too many critical capabilities to support in-house, and agencies are no longer sufficient one-stop-shop partners. Most marketers need to work with a stable of partners, selecting each one based on its particular value proposition. This puts a premium on coordination and on motivating multiple partners to act in unison."

Not only does partnering allow companies to do more, but it also delivers ROI benefits. 80% of marketers reported higher ROI after employing partners in the prior three years. What sets firms apart is working collaboratively with partners and establishing consistent key performance indicators (KPIs) to chart success.



Accelerate your international marketing success

Today, technology empowers us to communicate with people around the globe in an instant. But that doesn't mean you should start selling to customers in different countries with the exact same marketing strategy. Instead, you need to take a disciplined approach to international marketing.

Start with a clear definition of success, then build objectives to achieve that vision. Focus on understanding the differences across each market is a must so you can employ the right language and align with cultural norms. When building your website to speak to international audiences, you can't just deploy translated copy and move on. Instead, you need to keep SEO front-and-center and choose relevant keywords, then create content that resonates. This approach helps you deliver standout customer experiences that motivate people to buy from you and keep coming back for more.

Choosing partners with specific expertise can drive your international marketing effort forward as well. At Conductor, we're experienced digital marketing and SEO professionals who can help you untangle the complexity of pursuing organic marketing strategies in other countries.

<u>Schedule a demo</u> today and let Conductor be your guide to international marketing success.

