



Loyalty, Tenacity Play Huge Role in International Marketing

by Michael Woody, CAS,
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In October 1997, Quill was one of several companies that participated in a trade mission to Southeast Asia, sponsored by the State of Rhode Island and BankBoston. Representatives from 14 local businesses traveled with a state delegation, including the governor, to Malaysia, Singapore and Korea. On my return, several industry colleagues asked me about the trip, and the benefits of a state-sponsored trade mission. The following are my answers to the three most-asked questions.

Why did Quill Participate?

As a U.S. manufacturer of writing instruments for the promotional products industry, our competitors are not based solely in the U.S. We also compete with companies from other countries throughout the world, including Taiwan, Germany and Spain. Rather than remain in a defensive posture domestically while overseas manufacturers try to gain U.S. market share, we decided several years ago to pursue market share in other parts of the world. Over the last few years, we have focused on Canada and Europe. Now that distribution and marketing strategies are solidified in those areas, we are exploring greater opportunities in the Far East. Whereas we had done a limited amount of business in Southeast Asia over the past few years, we expected this trade mission to help

us more quickly develop business in the countries we visited.

Why was Timing Not a Serious Drawback?

In spite of, and perhaps to a certain degree because of, the current economic problems in Southeast Asia, now is an opportune time to be there. It is interesting to note that during our trip, Senior Minister Lee Kuan Yew from Singapore was in Boston saying that companies that make long-term bets now on the recovery of Asia's economic prowess would be well rewarded. Two weeks after Hong Kong's Black Thursday, Mark Mobius from Templeton Funds appeared on CNN *Moneyline* advising investors to look

for bargains among those Southeast Asian companies whose values have dropped in spite of sound fundamentals. There are many thriving companies in each of the three countries we visited, and they are all potential customers for Quill. Some of the companies we met with are divisions of multi-nationals such as Hewlett-

Packard and Motorola. They continue to need products like ours to promote their businesses.

As for the currency situation, it would be easy to say that because of the price increase caused by the currency devaluation that we should ignore Asia. It would also be shortsighted. Loyalty is a prized quality in Asian business culture. In international

marketing, a company must show commitment to the customer and the market over the long term, in spite of economic fluctuations, if that company hopes to be successful. For example, a Japanese manufacturer was calling on us in Rhode Island when the yen was 110 to the dollar, he was calling on us when the yen rose to 95, and he is still calling on us now that the yen has dropped below 120. Certainly, the selling argument he gave at 95 yen is far more

compelling at 125. To compete effectively overseas, American promotional products manufacturers need to be just as tenacious.

Why was the Trade Mission Format Successful?

There were four key factors in the success of the trade mission

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format: the prestige provided by the presence of Rhode Island Governor Lincoln Almond, the tight logistical arrangements coordinated by the Rhode Island Economic Development Corporation (RIEDC), the high quality appointments arranged by the U.S. Commercial Service, and the influence of the American Embassies. We already have distributors in Malaysia and Singapore, but they did not have the contacts that would enable them to schedule appointments with some large potential buyers. However, the combined weight of the above four factors helped us land appointments with clients such as TV3, the largest private television company in Malaysia; G.S. Gill, the largest sporting goods manufacturer, importer and distributor; and Sime Darby, a highly diversified company involved in financial products and services, travel and tourism, power generation, security equipment and services, and auto component assembly.

In Korea, where we previously had no distribution, the Commercial Service pre-qualified eight potential distributors, and arranged for me to meet with them over a two-day period. To facilitate our discussions, a translator was provided. We remain in contact with several of those firms, and we are negotiating a distribution arrangement with the most promising.

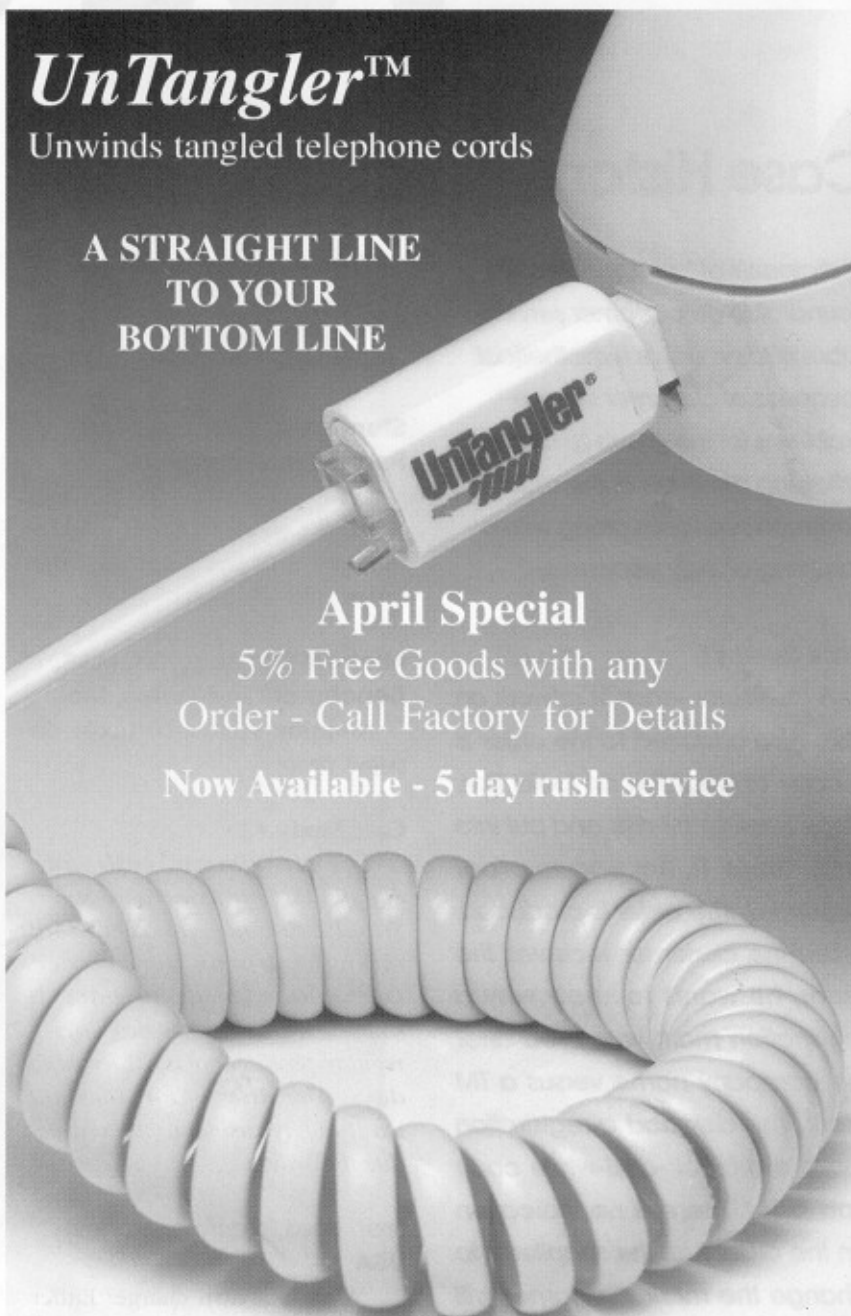
An added benefit of the trade mission was the opportunity to network extensively with executives from other local companies. I developed several new business relationships, learned much about how other types of companies market overseas and made some friends. By the end of the trip, I had become a strong believer in the trade mission format, particularly for those with little or moderate experience overseas, those with limited budgets and low tolerance for risk, and experienced companies targeting specific coun-

tries or regions.

If you are interested in participating in a state-sponsored trade mission, I recommend you contact your state's department of economic development. If no trade missions are scheduled to the country or countries you are targeting, they can put you in touch

with the U.S. Commercial Service for help in arranging appointments with potential distributors. **PPB**

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