

Marketing in Asia

HPEC Seminar Series

11 April 2017

Rob Haak

Insight interAsia

www.insightinterasia.com



Insight interAsia's Services

- Consultancy
 - Market penetration strategy throughout Asia
 - Sales/marketing in Asia
 - Asian operations audits
 - Manufacturing partner search
 - IP search
 - Due diligence
 - Funding from Asian sources
- Agency
 - Traditional sales agent

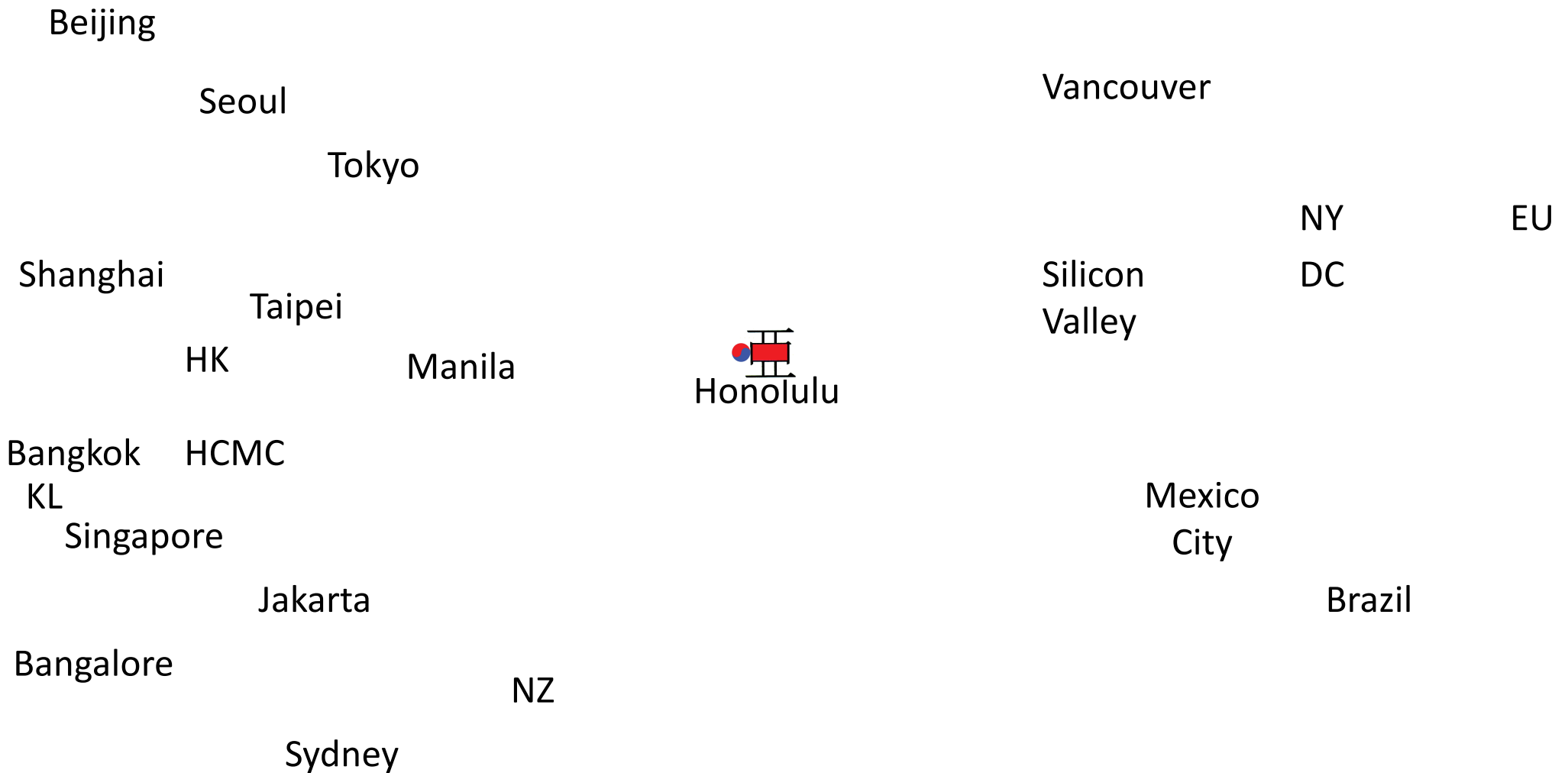


Activities

- Hit-the-bricks traditional sales work
 - Quick response to client request
 - On-site demonstrations
- Local marketing and feedback
- Information gathering and filtering
- Attend conferences/symposia
 - Give presentations
- Arrange visit itineraries



IIA reach



What is Marketing?

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”
AMA last changed in 2013

A company has two functions only: (1) it makes things and (2) it sells them. Not necessarily in that order.

– Peter Drucker



Marketing in Asia

(Asia is not one big market)



Asia is lots of markets

- China
 - Hong Kong
 - Macau
- Japan
- Korea
- Taiwan
- Singapore
- Philippines
- Vietnam
- Malaysia
- Thailand
- Indonesia
- India
- Bangladesh
- Australia
- New Zealand
- Laos
- Cambodia
- Nepal
- Pakistan
- Etc.



Step 1: Pick **ONE** of these markets

- Depends on your product/service
- Options:
 - Go Direct (most control, most difficult) \$\$\$\$\$
 - Agent \$\$\$
 - Distributor \$\$
 - Reseller (least control, easiest) \$
 - Do nothing \$0



Step 2: Segment that market

- Find the niche market segment that your product statement (aka pitch) sings to.
- Learn as much as you can about that segment (Market Research).
- Address all marketing messages to that market segment.
- Find your Early Adopters and keep them close, solicit their opinions.



Step 2A: Need Information

- Market research is *extremely* important
 - But how do you know when you have enough information? You don't.
 - At some point you have to jump in and get wet.
 - There is no right answer or secret recipe.
 - Do the best you can but recognize there is never enough information to be 100% certain.



Step 2B: Refine the Pitch

Try to define your product/service, the segment it serves, and the key benefit in 50 words or less.”

The Imaginary Soap Company makes soap products from locally sourced, high purity natural ingredients from the Hawaiian Islands. Our soaps are non-allergenic and are 100% handmade with aloha to provide after-sun cleansing and moisture.

The Imaginary Swimsuit Company makes conservative swimwear on Maui from modern materials in Japanese sizes for women over 40 with an average annual income of JPY9,600,000, 70% of whom live in the Tokyo Metropolitan area. There are no products in the market with authentic, subdued Hawaiian prints.



Social media

- Website (multilingual)
 - Mobile is very important
 - Blog, news
 - Email newsletters, drive eyes to the website
- Facebook growing in Asia
 - Instagram is good for most Hawaii products
- Twitter is fairly ubiquitous
- Japan has very little English
- Korea has local platforms
- China is a different animal completely
- Easily set up a local telephone number



Trade shows

- Surely, there is at least one per year that your most important customers attend.
- Multilingual literature
 - Even in Singapore, HK, Australia
- Notify customers ahead of time
- Set up some customer visits while in-country
- Check your competitors



From Hawaii with Aloha...

- Knowing your products/services are from Hawaii has significant benefits in Asia
 - Use that advantage - make the most of it!
 - Japan, Korea, China, Australia, Philippines, Europe, Canada



Price quotes, terms

- Try to do in the local language, if possible.
- Know the local terms that are normal
 - Net 30, etc.
- Staggered payments can be requested
- Letter of Credit maybe



Shipping

- Know what it costs to ship to each market
 - 1 unit, 10 units, 100 units, 1000 units
- Know any inbound costs for the customers
- Does your product require special care during shipping?
- Need export license from the US?
- Air (fast, expensive) or ocean?
- Shipping insurance
- Spare parts and warranty replacements



After-sales service

- Does your product need maintenance?
 - Who is going to do it?
 - What training do they need?
 - Spare parts stocked locally?
 - Spare parts pricing



Pricing Issues

- Take all of these issues we have just discussed and calculate your total cost of goods sold in the foreign market.
- Note: you have the modern benefit of PayPal and similar services and this makes things much easier, but there is also a cost.
- You must watch the F/X rates
 - Use to your advantage
- Know your shipping costs to the penny before you ship!
- Know if there are incoming tariffs for your products. That effects the total price.



Japan specific

- Hawaii is particularly attractive for many segments of the Japanese market.
- English is a major barrier...don't use it.
- Yen is cheaper now, means your products are more expensive.
 - First time in my career this has happened.
 - 110 today. In the past 12 months it's been 116 and 98.



Homework: Timeline from today...

- Determine your key market segment
- Define your product in 50 words
- Get your shipping costs
- Figure out if you are using an agent, or?
 - Sign one for a year
 - Put that contact info on your website
- Build a website page(s) in the local language
- Make a flyer on A4 paper
- Send some bilingual emails, post to social media
- Adjust and repeat over and over for 1 year



A Viable Strategy for 1 Year

for the small company with guts

- Build a bilingual website with e-commerce capability (-\$5K)
- Find a part-time person in Tokyo
- Stock some product with that person (-\$10K)
- Pay that person a small monthly salary and a commission, say \$1,000 per month and 10% (-\$12K)
- Sell the stocked product (\$25K) and collect information
 $-5 -10 -12 +20 = -\$2K$
- After 1 year, you will know infinitely more about the Japan market than you do now.



Resources

- American Marketing Association
 - www.ama.org
- Marketing Dictionary
 - <http://www.marketing-dictionary.org>
- American Chambers of Commerce throughout Asia
 - Marketing Committee



Mahalo

Contact us anytime:

HQ:

Insight interAsia LLC

521 Ala Moana Blvd, Pier 2

Suite 112

Honolulu, HI 96813 USA

Tel: +1 (888) 931-0488

Email: info@insightinterasia.com

Insight interAsia Pte Ltd

35 Selegie Road, #09-02

Singapore 188307

Tel: +65 6100-1656

Email: info@iia.sg

Japan: +81 (03) 4579 5782

Taiwan: +886 (0)926413964

Korea: +82 (011) 415 0403

EU/UK: +44 20 3287 8442

URL: www.insightinterasia.com

Twitter: [@AsiaTechSales](https://twitter.com/AsiaTechSales)

