Lesson One
Marketing Abroad

Exporting firms range in size from the very small exporter to the large multinational company and the methods of marketing will naturally vary according to their size and also according to the type of goods and the nature of the market.

For the manufacturer going in for exporting for the first time, there is a lot to be said for trying to sell some of his goods in a small way without making any changes in his methods of production or types of product and hence not being involved in any additional capital investment. He can test the market in this simple way, but there are considerable dangers in this because the results of his efforts may not be a true reflection of what might be achieved by careful planning and research. He may be unlucky and choose a difficult market, for instance, one in which, if he did but know it, his goods would sell much more readily if they were slightly modified to meet local needs or preferences. Some time and expense at the outset are likely to save disastrous mistakes and frustrations and also yield substantial dividends. Fortunately, there are a number of sources of statistics, information and guidance available to the exporter to aid him in his desk research and much of this is available for only a modest amount of expenditure.

With the aid of this desk research the manufacturer should be able to make his first plunge into overseas trading without making a bad choice of market and other serious blunders. He should then be better able to make some very important decisions as to how to organize the export marketing.

Direct Selling

There are obvious advantages to the exporter of selling direct to the overseas buyer without using an intermediary such as an agent or export house. Direct selling means having direct communication between a representative of the exporting company (whether he is the export manager, a travelling salesman or an officer of a branch or subsidary abroad) and the buyer. This communication enables the exporter to establish a relationship with the buyer, to make him fully aware of the range of goods available and to assess fully the buyer's requirements both in the short- and in the long-term period. But the exporter must bear the expense of his direct approach to selling. If he is exporting in only a small way this may simply amount to his own expenses in travelling abroad to visit his customers or of sending a colleague to do this. As the business expands, however, an export sales office may be necessary and/or a branch office will need to be opened overseas.

A sales office abroad, although an expense, may bring considerable benefits to the exporter. It provides a continuous presence in the buyer's country, enabling him to have easy access to the exporter's staff to place orders or seek help or advice. It enables these members of staff to develop sales and acquire market information, and to supervise the distribution of their firm's goods and display and warehouse them. Skilled engineers may be at hand to deal with technical problems such as assembly of the product. By employing some local staff the exporter is able to overcome the language problem which he or his representatives travelling overseas might find a barrier to successful sales negotiations. These foreign nationals will also be more aware of local tastes and market needs. However, setting up abroad does often involve contending with local laws in acquiring premises or a subsidiary company and in employing personnel. There may be also difficulties in getting profits home.

Indirect Selling

As has been seen, there are considerable advantages in selling direct to the foreign buyer but also some disadvantages. Similarly there are pros and cons for indirect selling, and the exporter must consider them all and decide which method best suits his particular needs.

Generally speaking indirect selling is more popular with a new exporter because it involves less investment and is less risky, while direct selling becomes more worth while as export sales increase and the exporter's knowledge of both the techniques of exporting and the problems of particular markets develops. Indirect selling involves the employment of an agent or distributor overseas. All of these offer the exporter their knowledge of the market and their network of customers, and save him the expense of setting up his own sales force and seeking his own customers.

In choosing an agent the exporter must endeavour to find one who is likely to look after his interests and really work for his commission. If he is already an agent for similar manufacturers there is the danger of divided loyalties when it comes to passing on the orders he receives. The size of the agent's business is important and so are the extent of his knowledge of the type of product the exporter wishes him to sell and his knowledge of the market. If the agent is to be a del credere agent he will take on financial responsibility for his sales and thus be responsible for collecting payment from the buyers, but the exporter must expect to pay him a higher rate of commission for his service.

An agent who is to be appointed as a distributor for the goods buys them from the exporter and resells them in his own right on certain terms and conditions laid down in the contract. He is usually given the privilege of being the sole distributor for the exporter's product within an area and in exchange is expected to maintain the exporter's image, possibly to display the product sign and even the recognisable layout for the showrooms and forecourt. If the product sells well he will be anxious to retain his franchise and will do everything he can to protect the exporter's interest and will be prepared to sell the goods at a price agreed with the exporter.

There are considerable advantages in appointing an agent whether he is a commission agent or a distributor, but against these must be weighed the disadvantages of lack of personal contact between the exporter and the foreign buyer and the lack of opportunity to develop directly sales and a knowledge of the market.

Joint Ventures

As an alternative to selling his product abroad himself, either directly or indirectly, the manufacturer may sell the right to manufacture it overseas under licence. This is a simple way for a manufacturer to become involved in marketing abroad and he gains entry to a market at little risk. In return for a royalty, the overseas producer gains the right to use a manufacturing process, patent rights and trade secrets, and saves himself the time and expense of building up similar expertise and a product name. The exporter does of course lose control of the manufacture of his product and the right to sell it himself in competition with the licensee.

To maintain the marketing responsibility and yet have the goods manufactured outside China, the Chinese producer could enter into a contract with a foreign manufacturer to produce the goods for him. He could possibly form a partnership with the overseas producer or even buy him up.

There are a number of other joint venture opportunities available to the producer. For instance, he could join in a partnership with an overseas firm willing to put up some capital which, with his know-how, would enable them to manufacture the goods abroad. Alternatively he could invest his capital jointly with foreign investors to establish a company to manufacture his product in their country. Another possibility is to join with Chinese producers of similar goods to form a marketing group that will share the costs of agents, advertising, local showrooms, sales staff and research, etc., but as the rewards are not always evenly distributed there is the danger of conflict between firms participating. Large firms can also assist small ones by giving them the use of their research and marketing facilities to enable them to find outlets for their goods without the expense of setting up their own export sales organizations.

Glossary

1. firm *n.* a business company 公司，商行
2. range *v.* vary (between limits); to stretch or reach (from limit to another)(在一定范围内)变化，变动
3. multinational *adj.* involving many countries 多国的，跨国的
4. market *v.* to offer for sale 销售
5. go in for — to take part in; choose as one's career 参加，进行，从事
6. hence *adv.* for this reason; from this origin; therefore 因此，所以
7. capital investment — money spent to improve machinery, building, etc., belonging to a business 资本投资，基建投资
8. considerable *adj.* fairly large; great in amount, size, or degree 相当大的，相当多的
9. modify *v.* change slightly esp. to make less extreme or to improve it 修改，变动
10. outset *n.* beginning 开始
11. disastrous *adj.* being or causing disasters 灾难性的
12. frustration *n.* (state of) being discouraged or not satisfied 挫折，沮丧
13. yield *v.* bear, produce, or provide (a natural product, a result or profit) 产生，出产
14. substantial *adj.* large in amount; considerable 大量的，数量大的，相当大的
15. dividend *n.* a payment of interest; the amount of distributed profit expressed as a percentage of the value of share capital 红

利，股息

16. statistics (pl.) *n.* collection of information shown in numbers; (sing.) science of collecting, classify in, and analysing such information 统计资料；统计学

17. available *adj.* that can be used or obtained 可用的，可以获得的

18. desk research — research done in the office 案头调研

19. modest *adj.* not large in amount, size, etc.; moderate 适度的，适量的

20. expenditure *n.* amount of money spent 开支

21. plunge *n.* beginning sth. suddenly or hastely 投入，冒然行动

22. overseas *adj. adv.* foreign, in other countries; abroad 外国的；海外的

23. blunder *n.* stupid or careless mistake 大错误

24. as to — concerning, as regards 关于

25. advantage *n.* condition or circumstance that gives one superiority or success; benefit, profit 有利条件，优势；利益，好处

26. intermediary *n.* agent or other person or firm through whom business is done 中间人，中介

27. agent *n.* a person who acts on behalf of another in making contracts with third parties and in buying and selling. He is usually paid a commission for his services by his principals. 代理人

28. export house — export firm; export company 出口公司

29. communication *n.* way of getting a message from one place to another 通信，通讯，交流，联系

30. subsidiary *n.* a company controlled by another which owns over 50% of the ordinary shares of the subsidiary 子公司

31. assess *v.* estimate the quality of; evaluate 估价；评价，评估
32. approach *n.* method, way of thinking or acting 方法
33. amount (to) *v.* to be equal to, to be the equivalent of 等于，相当于
34. acquire *v.* gain by one's ability, efforts or behaviour 获得，得到
35. supervise *v.* watch or keep a check on (sb. donig sth.) to make sure it is done properly 监督，管理
36. distribution *n.* getting the goods to the customers 经销
37. display *v.* arrange (goods) to catch the eye and attract 展览，展示
38. warehouse *n. v.* the place or a building for storing goods; to place or store in a warehouse 仓库；仓储，贮存
39. at hand — near, close by 手边，附近
40. deal *n.* a business transaction or agreement 交易
41. assembly *n.* putting together 装配，组装
42. barrier *n.* thing that prevents or controls progress or movement; hinderance 障碍物；障碍，阻碍
43. negotiation *n.* discussion in an attempt to reach agreement 谈判
44. national *n.* citizen of a particular nation 国民
45. aware *adj.* having knowledge or realization of sth. or sb. 明白的，知道的，晓得的
46. contend *v.* struggle in order to overcome a rival, competitor or difficulty 竞争，争取
47. premises (pl.) *n.* house or other buildings with its outbuildings or land 房屋连地基，(生产)场所，(经营)场址
48. profit *n.* money left over as earnings after all expenses have been paid 利润

49. the pros and cons — arguments for and against sth. 赞成论点和反对论点

50. investment *n.* using (money) to buy share or property etc. in order to earn interest or bring profit 投资

51. worthwhile *adj.* profitable or interesting enough to justify the time, money or effort that is spent 值得的，合算的

52. distributor *n.* a person who sends goods from those who produce them to those who use them 经销商，经销人

53. endeavour *v.* try 试图，竭力

54. commission *n.* payment to an agent, usually based on the values of the goods sold. It is a percentage of the sales revenue, agreed between the agent and his principal 佣金

55. pass on — hand or give sth. (to sb. else), esp. after receiving or using oneself 转交

56. del credere — (Italian) an obligation undertaken by an agent to fulfil a contract or make payment in the event that his principal defaults（意大利语）信用担保

57. lay down — give sth. as a rule, principle; establish 规定，制定

58. facilities *n.* circumstances, equipment, etc. that make it possible or easier to do sth. 设施，便利

59. privilege *n.* special right or advantage available only to a particular person, class or rank, etc., to the holder of certain position 特权，优惠

60. sole *adj.* one and only; single 单独的，惟一的

61. image *n.* picture in the minds of the public of a particular person or product 形象

62. recognisable *adj.* that can be recognised 可承认的，可辨认的

63. layout *n.* way in which the parts of sth. are arranged accord-

ing to plan 布局，安排，设计

64. showroom *n.* place where things, e.g. goods for sale are put on display 商品陈列室，样品间

65. forecourt *n.* large open area or courtyard in front of a building, esp. the front of a filling station where petrol is sold (建筑物前的)大片空地,前院

66. retain *v.* keep sth. in one's possession or use 保留，留用

67. franchise *n.* formal permission to sell a company's goods or services in a particular area 特许权

68. joint venture — a commercial undertaking by two or more people, differing from a partnership in that it relates to the disposition of a single lot of goods or the termination of a specific project 合资经营，合资企业

69. lincence *n.* official document showing that permission has been given to own, use or do sth.; permission 许可证，执照；许可

71. expertise *n.* expert knowledge 专门知识，专长

72. partnership *n.* a contractual relationship between two or more people in a joint enterprise, who agree to share, not necessarily equally, in the profits and losses of the organization. 合伙关系，合股关系

73. put up supply (money needed for sth.) 提供（资金）

74. know-how *n.* practical knowledge or skill in an activity 专有技术，技术诀窍

75. reward *n.* something given or received in return for work, merit or services 报答，报酬

76. conflict *n.* serious disagreement; argument; controversy 冲突

70. patent *n.* the right to be the only maker and seller of an article 专利

Notes

1. …if he did but know it, …

   "But" here is an adverb, meaning "only, merely, just". Similarly, If I had but known, I would have come.

2. …to meet local needs or preferences 满足当地的需要和喜好

   "Meet" here means "fulfil or satisfy". It is usually said to meet one's demand, needs, wishes, conditions, etc. This kind of expression is frequently used in business English. E. g.

   The supply is inadequate to meet the demand.

   We shall do everything we can to meet your requirements.

   All the documents must meet the terms of the letter of credit.

   We can also say:

   We believe we can satisfy your requirements for any reasonable quantity.

3. …and much of this is available for only a modest amount of expenditure. ……只花费不太多的资金就可得到许多这种统计数字和资料。

   "An amount of" is used with uncountable nouns and the adjectives which usually modify the word "amount" are as follows:

   They are exporting a large amount of wool.

   A(n) enormous (huge, large, fair, considerable, moderate, small, little) amount of extra money was spent on the project.

   We can also use:

   Large amounts of money was spent on the project.

   We spent money on the project in large amounts.

   "A number of" is used in the same way but followed by countable nouns. E. g.

A large (great, considerable, small) number of visitors saw the exhibition.

Large (great) numbers of visitors have been to the factory.

Orders came in large (great) numbers.

When referring to goods in business English, we often use the phrase "a large quantity of", which is used in the similarly way. E. g.

That country imports a large (great, good, small) quantity of flowers every year.

The people of that country drink a large quantity of beer every year.

Great (large, small) quantities of colour television sets (iron ore) were (was) imported last year.

They do not sell coal in small quantities.

We buy cotton in large quantities (in quantity) every year.

4. If he is exporting in only a small way, …

"In a small (big) way" — on a small (large) scale

5. …this may simply amount to his own expenses in travelling abroad to visit his customers. ……这就等于自费出国拜访客户。

"Amount to" here means "to be equal to". E. g.

But this involved a complicated procedure for the exporter and it did not amount to very much.

What you say amounts to a direct accusation.

6. Similarly there are pros and cons for indirect selling… 同样，对间接销售有正反两方面的意见……

Like "pros and cons", certain pairs of words joined by "and" are commonly used in English. Here are some of them.

bits and pieces	零碎东西，零七八碎
cock and bull	荒诞的
cut and dried	成套的，早已准备好的
dead and buried	死亡的
fair and square	正大光明的
facts and figures	精确的资料
flesh and blood	血肉之躯，现实
goods and chattels	私人财物
hard and fast	严格的
head and shoulders	蛮横的
hide and seek	捉迷藏
high and mighty	趾高气扬的
odds and ends	零碎的事情
prim and proper	规规矩矩
sick and tired	十分厌倦的
spick and span	崭新的
tooth and nail	猛烈持续地战斗
ups and downs	盛衰，沉浮
ifs and buts	借口，托词
wear and tear	损耗，磨损

7. If he is already an agent for similar manufactures there is the danger of divided loyalties when it comes to passing on the orders he receives. 如果他已经是类似产品生产厂家的代理还要委托其为代理的话，就存在着危险，因为在他转交收到的订单时，就不会忠贞不贰。

1) when it comes to (doing) sth. — when it is a case or question of (doing) sth. E. g.

When it comes to marketing abroad, the travelling salesman has a lot to say.

When it comes to intelligence, she is outstanding.

2) to pass sth. on to sb. — hand, give, transfer, transmit sth. to sb. E.g.

Your letter of May 5 to our Tianjin Branch has been passed on to us for our attention.

8. to enter into a contract 签订合同

Like phrases are: to make (enter into, come to, arrive at, reach, conclude, sign) a contract (an agreement).

Exercises

Ⅰ. Match the words on the left with the words on the right:

1. meet	a. overseas
2. aid	b. compete
3. considerable	c. obtain
4. put up	d. satisfy
5. abroad	e. blunder
6. contend	f. intermediary
7. build up	g. assist
8. mistake	h. only
9. know-how	i. substantial
10. acquire	j. invest
11. franchise	k. privilege
12. agent	l. expertise
13. but	m. increase
14. access	n. value
15. assess	o. entry

Ⅱ. Fill in the blanks with the suitable words in the text:

1. What is marketing? Marketing is the creative process of ______ customer needs profitably.
2. In Britain an intermediary called a commission ______ or export commission house acts on behalf of the ______ importers.
3. Agents are paid ______ on the amount of goods purchased.
4. An agent may receive goods in his ______ name, and stock them in anticipation of sale.
5. A few shares for assistance in ______ up the company will be issued. We'll issue some founder's shares.
6. We have developed an excellent product and obtained from the government the sole right to manufacture and sell it. We have obtained ______.
7. When our production and marketing expenses have been paid, we hope to have quite a lot of money left over as earnings. We expect to make good ______.
8. We had to find other people through whom to make sales. We had to find other sales ______.
9. The licensee wanted us to invest some money with him in a new company. He wanted to set up a ______ with us.
10. We used to have a smaller part of our company located abroad, but we don't now. We have no ______ abroad.

Ⅲ. Fill in the blanks with proper prepositions or adverbs:

1. There should be not any difficulty ______ shipping the goods or meeting delivery date.
2. The problem before them is this: how can they manage to export ______ sacrificing the profits they should have otherwise made ______ home?
3. It cannot be over-emphasized that money spent ________ the preliminary survey can save considerable expenditure ______ this

stage.

4. Influenced by the slogan "Export or Die", a large number of British firms have decided to go ______ ______ exporting.
5. They compete effectively when they concentrate ______ quality.
6. ______ the development of the jet plane, satellite communications and computers, it became possible ______ a company to control enterprises on the other side of the globe.
7. If the price ______ syrup goes up, the increase will be passed ______ ______ the consumer.
8. This amounts ______ a breach of contract.
9. The company has adopted a new approach ______ marketing goods abroad.
10. Rising industrial output, increased capital expenditure, and lack ______ labour, together with an increased demand ______ consumer durables, stimulate demand ______ this field.

Ⅳ. Which of the points in this passage do you agree or disagree with?

Anyone who has contact with customers is a sales person that includes the telephonist who answers the telephone and the service engineer who calls to repair a machine. So that probably includes you!

The relationship between a sales person and a client is important: both parties want to feel satisfied with their deal and neither wants to feel cheated. A friendly, respectful relationship is more effective than an aggressive, competitive one.

A sales person should believe that his product has certain advantage over the competition. A customer wants to be sure that he is buying a product that is good value and of high quality. No one in business is going to spend his company's money on something they don't really need (unlike consumers, who can sometimes be persuaded to buy "useless" products like fur coats and solid gold watches!)

some sales people prefer a direct "hard sell" approach, while others prefer a more indirect "soft sell" approach. Whichever approach is used, a good sales person is someone who knows how to deal with different kinds of people and who can point out his product will benefit each individual customer in special ways. A successful sales meeting depends on both the sales person and the customer asking each other the right sort of questions.

Ⅴ. Give the Chinese equivalents of the following terms:

1. multinational company
2. subsidiary company
3. capital investment
4. commission agent
5. del credere agent
6. direct selling
7. indirect selling
8. sole distributor
9. marketing facilities
10. source of information
11. terms and conditions of a contract
12. financial responsibilities
13. patent right
14. desk research
15. sales negotiation
16. branch office