
A Case History Of European Missionary Work

by PETER HEUMUELLER

When it comes to introducing new products into new markets, there are more similarities than differences between Europe and the United States.

Perhaps the major similarity is that it remains a challenge to efficiently and productively enter a new market while conducting the needed missionary work. The manufacturer and the manufacturer's sales force (independent reps) know the extent of the challenge and they know what has to be done in order to meet that challenge.

Following the decision to enter a new market the typical questions that must be asked and answered are:

- Who (which reps) are the right choice to help with the venture?
- How long will it take to make an impact in the market?
- How will I measure the effectiveness of my reps?
- Why does it take so long between the first customer contact and the first order?

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- Why aren't my sales figures higher?
- Why is it that expectations and reality occupy positions that are poles apart?

Business school literature is filled with case histories and strategies, concepts and recommendations detailing how to enter a new market, but the fact remains the reality of the venture can be far different from anything described in a textbook.

In a real-world experience, here's what a relative newcomer went through when it attempted to enter a new European market.

The challenge faced by this manufacturer was to bring a new product into the market where nobody expected the new player to make such an attempt. The product was a piece of technically sophisticated laboratory equipment. It was competitively priced and technically superior to that which was already available in the territory. At the time of this effort, only one large player and two smaller manufacturers served the marketplace.

But even with all those positives, the manufacturer was faced with taking steps to make his product happen in the territory. What will it take to get that done? Is this product a self-starter? Definitely not! Even though the product is a technically superior product, is innovative and comes in at a competitive price, he is going to have a tough time making an impact.

To start the process, the manufacturer and its reps decided that initial contacts with approximately 350 customer prospects should be made via telephone interviews. This was the most direct marketing activity. It provided the quickest and most reliable feedback re-

garding prospective customers' needs. Assuming you've reached the decision maker at the customer's location, you receive an immediate appraisal of what their needs are and can determine if the product can meet those needs. At the same time, the telephone-interview-feedback offers a very quick, accurate view of the marketplace.

Immediately following the telephone interviews, written letters and e-mails were sent to the contacts in a further effort to gauge their interest. These contacts made the potential customer more aware of the product and its availability.

Results From the Initial Round of Prospecting Phone Calls

Roughly half of the companies contacted exhibited little or no interest in the product. The reasons they offered included:

- No need because their market or product is different than anticipated.
- They were satisfied with the already well-established competitor in the market.
- They had recently made a purchase of equipment and were unaware that there was a new participant in the marketplace.

After eliminating those that fit into the above categories, 150 potential customers remained. Of that number, 12 percent maintained they had no budget and only had an interest for some time in the future. After receiving a follow-up via letter or e-mail, a total of 90 prospects asked to be reminded with a second call in the future. All of these prospects were in a market where they knew that the instruments in question were needed, but they were not asked by their customers. As a result, they decided to wait until pressure was exerted by those customers.

Since these 90 prospects were classified as "high potential," the next step in the process was the sched-

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uling of personal sales calls. This was determined to be important because the cost of the instrument in question was in the range of \$60,000. Such products simply can't be sold out of a manufacturer's catalog. Added benefits of conducting these in-person sales

calls were that they generated confidence in the manufacturer and his products while providing the perfect opportunity for the prospective customer to meet with the manufacturer's marketing manager.

While these steps are commonly accepted in the United States, the results of this strategy aren't as well known in Europe. For the record, in this case 10 percent of the prospects that were classified as "high potentials" have asked for quotations thus far — and two products have already been sold.

The manufacturer in this case is convinced by his experience that the market exists for his products. He estimates that he'll have a better feel for market acceptance once two or three years have passed. □

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