**PENETRATING FOREIGN MARKETS WITH MARKETING HELP FROM THE GOVERNMENT**

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Abstract. In entering foreign markets, one faces controllable and uncontrollable variables not encountered in the US market. These variables make entry into foreign markets more difficult than entering a new market in the US. Realizing this, the US Government (USG) has developed a variety of programs that can significantly ease market entry. Of these, two of the most significant are: (1) "the Market Access Program-Branded," (MAP-Branded Program), which reimburses 50% of a wide array of international marketing expenses; and the "Gold Key Service" which (a) qualifies potential buyers in a foreign market for you, and then (b) arranges face-to-face meetings between you and them. For growers/wholesalers of ornamental horticulture, these programs can be used to (1) help determine if market entry is desirable and (2) reduce marketing expenses. Also, under the right circumstances, the Florida Dept. of Agriculture and Consumer Services (FL DACS) can help industry international marketing efforts. Both the Florida citrus and tomato industries banded together and have received Florida DACS aid. The same potential exists for Florida growers of other products.

Small and medium enterprises constitute 97% of all exporters in the US. Exporting can be a viable source of both sales and profit, as practitioners note that (1) average order size is typically higher than in the US, (2) customers may not be as price sensitive as within the US, and (3) once relationships are established, they remain stable for years.

But entering foreign markets is often hard for smaller businesses due to both financial and human resource limits. There are expenses not encountered in the US market (e.g., non-English sales material and translation). Further, in small businesses, the people to do the work and the money to do it are in relatively short supply.

The premise. Realizing this, the US Department of Commerce’s US Commercial Service (USCS) has developed a variety of services available to all exporters, agribusiness and non-agribusiness alike. For agribusinesses specifically, the US Dept. of Agriculture (USDA) has created additional programs to aid export efforts.

Within this array of programs that provide market research, pre-export working capital, and foreign payment guarantee insurance, there are two programs that can be used to substantively advance a firm’s marketing and sales objectives.

- The first is the USDA’s Foreign Agricultural Service (FAS) Emerging Markets Program, which has three fac-
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- The second program comes from the USCS and is known as the Gold Key Service. With it, the USCS introduces participants to potential customers for or distributors of their products.

With these programs that defray market entry costs, smaller businesses can make exports an even more viable and profitable part of their revenue stream. Further, if vendors of tropical ornamentals were to establish a marketing co-operative, or use existing organizations for that purpose, it is possible that state-funded, Florida DACS marketing aid could be accessed.

The programs. The MAP-Branded program reimburses 50% of qualified international marketing expenses. Reimbursable expenses include (but are not limited to):

- Trade shows (registration, booth creation, shipping product to the show, travel and living for two for the duration of the show, plus two days before and one day after, trade show guide advertising, and small promotional gift items).

- Sales literature, including CD-ROMS, foreign language versions and the required translation to realize these.

- Public relations initiatives and sales seminars.

Adroit use of the program can yield significant results. King’s Foliage Nursery, a Homestead, Fla. re-wholesaler, saw an 8% point drop in Canada revenue in 2004 vs. 2003. At the end of 2004, using the MAP-Branded program they invested in Garden Expo in Toronto. Revenue in 2005 grew 125% vs. 2004 (3). Further, with 50% reimbursed expenses, their revenue to expense ratio was $13:1, i.e., $13 in sales for each $1 invested.

The second relevant program is the USCS’ Gold Key Service. The objective of the service is to cut the time and expense of market entry by identifying interested buyers. The exporter supplies the USCS product information as well as the type of buyers or distribution channel partners that are desired. The USCS searches for that type of buyer. With 6 to 8 weeks lead-time, the exporter travels to the foreign location to meet 4 to 8 firms, already pre-qualified and interested in the exporter’s products. Pricing varies by country: $750-$1500 for the first day, and a second day, if needed, costs $380-$600. The service may be performed for free if the US Foreign Agricultural Service has operations in the country (4).

The premise. MAP-Branded and Gold Key can (and should!) be used by individual firms. They can also be used by cooperatives. Ocean Spray cranberry juice is a growers and marketing cooperative that used MAP-Branded to launch its international marketing efforts.
By banding together, Florida citrus and tomato providers have gained Florida Dept. of Agriculture and Consumer Services marketing aid. FL DACS looks for an organization that is: (a) unique in Florida (b) has a single-point-of-contact for FL DACS, and (c) the organization must self-invest.

Such a marketing co-op could be a state-wide organization (like FNGLA), or an organization representing all growers of a particular item (Florida Bromeliad Growers) or a local organization, e.g., a Miami-Dade Wholesale Growers Association. Each would bring specific strengths to the table that would be worked with FL DACS.

In Summary, The USDA’s MAP-Branded Program can be used by firms looking to defray the market entry costs of foreign markets. When combined with the qualified buyer search capability of the USCS’ Gold Key Service, the time and cost of market entry and marketing campaign deployment can be reduced. Finally, if providers of ornamental horticulture were to organize in a way that would make their organization unique within Florida, they might well be able to gain substantive FL DACS aid in international marketing efforts.

**Literature Cited**

Southern United States Trade Association; description of MAP-Branded program. Webpage: http://www.susta.org/services/map.html