

depending on whether or not your product has passed the approval process.

4.5 Sources of Information and Assistance

During 1986 and 1987, Eicon used federal and provincial trade missions extensively as vehicles for locating new distributors. For example, it took part in a mission to the Scandinavian countries. Its first European distributors were located at a trade show, which Eicon attended in the spring of 1986 with support from the Province of Quebec. During the same period, Eicon also made use of the assistance provided by Trade Commissioners. It found PEMD (Program for Export Market Development) rather cumbersome because of its relatively slow response in those days.

4.6 European Presence

Two years ago, Eicon opened an office in London to support and manage its European distributors. The UK office, with a staff of 18, provides its European distributors with advertising, attendance at major trade shows, the preparation of high quality product brochures in local languages, and the introduction of new products into the distribution channels. One of the reasons Eicon opened the European sales support office was that the pre-sale and after-sale support it had to provide was much greater than the company could foresee.

Even with the opening of its London office, Eicon's senior Canada-based staff continue to make regular trips to Europe to meet its important clients and to attend trade shows. Direct contact with users and potential users is an important aspect of market research.

In order to adjust to the full implementation of Europe 1992, Eicon is looking at opening offices in other markets in the European Community, especially in France and Germany. The company is also looking at establishing a European distribution centre for warehousing and packaging products for its European customers.

4.7 Some Observations

According to Peter Brojde, President, Eicon Technology Corporation, a good European distributor will put money and resources behind your product and will train their staff to support it. The markup on your product will therefore be much greater, typically 50 per cent higher than in North America. The additional markup does not present a problem, since European customers focus more on performance than on price. Price, therefore, does not usually play a large part in negotiations with potential European customers; performance, quality and long-term support are of greater importance to them.

4.8 Conclusions

Eicon Technology Corporation is a young and dynamic company that has enjoyed a considerable degree of success in Europe during its relatively short life. Its success in penetrating markets in major European countries is no doubt attributable to the technical excellence of its products and to the thoroughness with which the company pursued opportunities as they arose. Eicon appears to have been very fortunate in locating the right distributors in two European countries without even visiting Europe.