

THE EXPORTING EXPERIENCE: TWO CASE STUDIES

market was too limited to attract large companies. Some European companies had the ultra-violet expertise to compete with Screen Print, but Andy believed that they did not have sufficient knowledge of North American retail markets to be successful.

Andy's research confirmed that the large supermarket chains were the most promising customers and led him to the key decision-makers within the companies. He also discovered that the market was limited by each potential customer's desire to present a distinctive interior design. Not all stores would want the Screen Print look. Andy estimated that total potential sales would be between \$4 million and \$8 million annually for the following three years.

Andy Smith concluded that only a targeted approach combined with a strong distribution could result in the implementation of a lucrative export program. Design houses appeared to be the best way to serve most grocery stores. Direct sales would be done only for custom-made products ordered by large chains. Screen Print applied for assistance from External Affairs Canada to finance part of its market development efforts. The firm received \$50 000 from the Program for Export Market Development over the following three years.

Andy Smith then bought mailing lists of U.S. design houses and grocery store chains. He also joined professional associations, thus gaining access to their proprietary listings and professional journals. He knew that the larger companies, those that were active at a national and international level, were more receptive to new products. They would thus be easier targets than firms active only in regional markets. He established a list of large grocery store chains and design houses and started to communicate with them.

Screen Print rapidly received large orders from both chains and design houses. "Once enough potential customers knew about the murals, the product was selling itself," claims Andy Smith. By 1985, sales in the United States of ultra-violet murals and ancillary products such as frames and mountings represented 30 per cent of Screen Print's total sales.

Smith also tried to use his customer base in the United States to sell other Screen Print products, such as small promotional posters and price displays. It took longer for these efforts to bring results. Although his products were more esthetically appealing and easier to install than competing U.S. products, potential customers apparently did not appreciate their qualities enough to choose Screen Print over their regular U.S. suppliers. In certain cases, samples were simply sent by potential customers to local competitors to be copied. Andy Smith says that sales of other display products are now on the rise, years after Screen Print started to receive large orders for murals.

Screen Print's U.S. venture has also produced other positive international results. As a result of the expansion in the United States, Screen Print has received orders for ultra-violet murals from design houses in Australia, New Zealand and Europe and is marketing the product overseas to continue its growth.

Key points

- a product with a technological edge on competitors
- market research
- the right distribution channels

*Part of the information presented in this case study was provided by the Business School of the University of Western Ontario.