

conditions, it may become worthwhile to set up a branch office and/or service depot in Austria.

For some product lines, however, the local Austrian market may be too small and/or the Canadian product may require a considerable stock of spare-parts and/or servicing, in which case it might be better to work through an appropriate office or branch agent in a larger neighbouring market such as West Germany which can also cover Austria. Wholesalers and manufacturers often act as agents also.

Although distribution through franchising can be as effective as a branch office, this approach has to date not made significant headway in Austria. Product licensing is becoming more common. In addition to cutting transport costs, it offers marketing advantages as well. Royalty and licence fee payments may be freely transferred out of Austria.

Representation

Some 200 Canadian companies are represented or are doing business in Austria, mainly through local firms. Although agents in other countries, particularly but not exclusively in West Germany, are often used.

In recognition of the relatively small market, agents are generally given exclusive distribution rights for a particular product line. Most Austrian firms insist on a written contract. They are used to extremely favourable financial and material support when introducing new products (advertising costs, high quality sales literature, brochures and manuals in German, display material, demonstration units, etc.).

The Austrian market is extremely competitive, and problems such as delays in answering a business enquiry may easily lose the business to the faster competitor. Marketing in Austria, and especially through Austria into Eastern Europe and Third World Countries, demands flexibility and adjustment to local business practices.

Government Purchasing

Invitations for public tender are issued directly by the various Austrian ministries and offices of provincial governments. Most public tenders have deadlines of up to four weeks only. This can be a problem,