York, while retaining important management responsibilities in Canada. From 1986 to 1988, the export venture was placing heavy demands on the firm's management and was not proving profitable.

"We were making the same mistakes that most new Canadian exporters make in the United States," concludes Carole Epstein. "We thought that we knew everything but we did not. We should have spent a lot more time doing our homework. We also needed a sales manager that had experience in selling accessories and had a network of contacts with U.S. department store buyers.

"The worst mistake, however, was to try to sell all our models to everybody, as we did back home. In a small market like Canada's, you supply belts to K-Mart as well as to Holt Renfrew. In the United States you need a precise target and a marketing plan. Fortunately, we had the resources to turn the situation around."

Early in 1989, Canada Belt hired a new U.S. sales manager. He was recruited with the help of a specialized firm and had experience in selling accessories. The new manager was made totally responsible for Canada Belt's sales in the United States and was promised profit-sharing.

After visiting a number of department stores around the country, he discovered that Asian producers had recently started to sell inexpensive belts in the United States. He concluded that Canada Belt should target high-income consumers to whom quality and style were more important than price. He prepared lists of stores with good credit ratings serving that market, and salespersons with a better image and the right contacts were recruited.

The new approach quickly paid off. Sales in the last quarter of 1989 were twice as high as the year previous. Most important, the firm is finally succeeding in establishing relationships with new U.S. clients, and the new accounts seem to bear a high potential for long-term growth.

Key points

- U.S.- based manager
- targeting a specific group of customers
- sensitivity to market distinction between Canada and the United States
- knowledge of the differences in commercial practices

SCREEN PRINT DISPLAY ADVERTISING*

"Everybody at Screen Print intuitively knew that exporting to the U.S. would work," says Andy Smith. In 1977, Screen Print developed and introduced a new type of in-store decorative mural for department and grocery stores. Unlike existing decorative murals which were produced by a photographic enlargement process, the new ones were screen printed using ultra-violet inks. The process not only allowed for the printing of larger murals, it produced a sharper image, had enhanced colour retention, and was more economical.

In Canada, the product had proven very successful with large grocery store chains, for whom the representation of food in vivid colour is particularly important. In 1981, the same Toronto design house that had set up Screen Print's distribution in Canada bought ultra-violet murals to integrate them in store-decor for U.S. food retail chains. The murals were noticed by another U.S. grocery store chain, who asked Screen Print to prepare a new exclusive stock line of murals for its stores in the United States. With this encouraging turn of events, Andy Smith decided in 1983 to actively market the murals south of the border. The first step he took was to gather market information through his first U.S. customers.

Screen Print was the only producer of ultra-violet murals in North America. To start producing them, competing firms would have