



MARKETING

Selling in US

Be prepared to encounter super-competition and regulations



AJAY PRASAD

AMERICA is the largest market in the world with a GDP of over \$16 trillion. This is same size as the GDP of European Union countries combined, and about \$4 trillion larger than the fastest growing country of China. This largest market of the world is also the most open market of the world for doing business. There are minimal restrictions for entering the market. American consumers and businesses have always purchased from overseas companies.

Indian products/services are gaining awareness among American businesses and consumers. There is a good chance that Americans may soon prefer dealing with India vs. China or Russia given the ongoing geopolitical conflicts. So this a good time for any Indian business with traction in India to explore entering the US.

The openness of the economy makes it super-competitive for almost every product/service. This, plus federal, state and local regulations are two major obstacles for new entrants to this market.

The following process is recommended for a successful entry into the US market:

- Market research
- Internal analysis
- Regulatory analysis
- Procedures for starting your business
- Ongoing business operations requirements

Market research

Do a thorough market research before making a decision to enter the US market. Market research should ideally consist of the following:

- ▶ Identify your target customer—Is it US-based businesses or American consumers?
- ▶ Market size—how big is the market for your product or service, in terms of value and volume?
- ▶ Customer analysis—understand your customers before you can start selling your products to them. Specific information needed are:
Buying behaviour—why would your potential customers buy? Is it low price or best quality?
Are you addressing a need or a want?

Psychographic profile of the customer—example, politically active, athletic, concerned about global warming, liberal or conservative, media they use to get information daily, etc.

Demographic—what age group they are in and where do they live in the US—urban, sub-urban, rural, inner city, etc.

▶ Competitive analysis—do a thorough competitive analysis that includes the following:

- List (name, address, sales of major companies offering your product or service. Their brand positioning—are they known for quality and superior customer service or for lowest price. Their strengths/weaknesses. How are they marketing/selling their products/services?

THIS LARGEST MARKET OF THE WORLD IS ALSO THE MOST OPEN MARKET FOR DOING BUSINESS. THERE ARE MINIMAL RESTRICTIONS FOR ENTERING THE MARKET

Their unique value proposition (UVP). Their unique sales proposition (USP)—how are these competitors amplifying their UVP in their marketing and sales process.

- ▶ Pricing—check competitors pricing vs. their market positioning. This will help you price effectively.
- ▶ SWOT (strengths, weaknesses, opportunities, strengths) of your company and of select competitors.

Marketing

- ▶ Develop a marketing plan.
- ▶ Your marketing message.
- ▶ Media for marketing—internet, print, radio, TV.
- ▶ Build needed marketing platform Website.
- Print—postcard, brochure, etc.
- Commercials for radio/TV.
- ▶ Identify marketing budget based on the plan

Internal analysis

Analyse your business to decide whether it is viable for the US market. Some specific analyses are:

- ▶ How good is your product/service—Your product or service should be able to compete with the selected competitors.
- ▶ Your market positioning strategy—price or quality/customer-service. Most German companies focus on product quality, whereas most Chinese companies focus on the lowest price. Base your strategy on your internal reality. If you have a huge cost advantage over

US competitors, go for the low-cost strategy. If your product is superior, go for quality/customer-service positioning.

- ▶ Decide you UVP based on your market positioning strategy.
- ▶ Identify your USP based on your UVP.

Regulatory analysis

This is one area where several companies err when entering the US. Make sure those regulations from federal agencies like Federal Trade Commission, Federal Drug Agency, and a slew of other agencies regulating specific product or service. Identify which federal agency regulates your product or service and comply.

In addition, there are several state regulations that could impact your business. Decide on which state(s) you plan to market, and identify regulations that could impact you.

Advertising mediums such as search engines (Google, Bing etc.), TV, print, radio etc., restrict advertisements of some products & services. Several companies have realised that they could not execute their marketing strategy because of these restrictions. Know these restrictions when you are building your marketing plan.

Procedures for starting your business

Once you have decided to enter the US market, you will need to get the following:

- ▶ Office space & address.
- ▶ Setup corporation—options are C, S, LLC or Sole Proprietor. Get counsel so that you setup appropriate corporation based on your needs.
- ▶ Bank account setup—you will need a business account at a US bank.
- ▶ Licence from State, County, City as needed.
- ▶ Merchant services if you need to accept credit card.

Ongoing business operations requirements:

- ▶ Execution of marketing plan. Refocus if needed.
- ▶ Marketing management—optimise results.
- ▶ Fulfillment of sales.
- ▶ Secretarial services for answering questions from customers.
- ▶ Book-keeping services for ongoing accounting.
- ▶ Corporate attorney and as needed.
- ▶ CPA for filing quarterly taxes.

There is a huge potential profit to be made in the US. But there are heartbreaking incidents of businesses losing a fortune because of information gaps.

The author is CEO, Global Marketing Resources, LLC. www.gmrhq.com