ENTERING A NEW MARKET WITH A NEW OR UNKNOWN BRAND
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Entering a new market is the first step to expanding your cross border business model. While individual regions presents unique challenges, there are many strategies which can help a brand successfully launch in a new market. This guide addresses many of these strategies and works as a checklist of do's and don't when looking at international expansion.

WHY ENTER A NEW MARKET?

Grow your business

There are good business reasons to enter this new market:

- There may be unique market opportunity you're well positioned to capture.
- This new market will allow you to diversify your revenue streams.

Business strategy

This is a strategically important market, You can use it to test products or to mirror a similar larger market. Maybe you want to establish a presence before a competitor begins to expand and entering will help you maintain a competitive edge.

Competitor pressures

A global competitor has launched in this market and you need to respond, your brand is in the public eye and risks losing market share or being squeezed out of the market entirely if you don't become an active player.

Accurately measure the value of your marketing

While not a sufficient reason on its own to enter a new market, you are provided with a unique moment where your baseline conversion rate will be close to zero. This makes a new market the perfect place to determine the value of your marketing efforts via Lift studies. The result of these studies can help inform marketing strategies in your current markets.
DEFINE THE MARKET

LEARN WHICH MARKETS ARE RIGHT FOR YOU

As the first step in expanding your brand, defining the correct markets for your products and services is crucial. All of your work will be dependent on the rigor put into making sure the new market is a good fit for your brand.

5 Quick wins for pinpointing expansion opportunities:

- Follow the competitors: study where competitors are expanding. Take the “fast followers advantage”.
- Look at organic traffic and social media engagement from markets you are not targeting. Some brands don’t pay attention to secondary data as the quantity is low compared to their target markets. However, if you don’t advertise and still get significant activity, this is a strong indicator that you have a good product/market fit.
- As English is often a business’s primary language a lot of brands decide to go to English-speaking countries first. Similarly, Spanish brands may be attracted to LATAM countries as there is less of a language barrier.
- Some brands choose to expand into neighboring counties first, because of cultural similarities and understanding.
- Facebook offers both Worldwide and Regional ad targeting, so you can see how your ad performs in additional countries. This is especially useful for online-based services and third party sellers. Use this ad product to test, then use international lookalike audiences to further narrow down the audience.

FACEBOOK PROVIDES SEVERAL FREE TOOLS WHICH CAN HELP YOU USE A DATA DRIVEN APPROACH TO EXPANSION:

Use a data driven approach to identify new markets for your products and services with these key Facebook tools. Coupled with other available data, you can pin point which regions your products and services will resonate the most. (Recommended data sources include Statista, GlobalWebIndex, McKinsey Global Institute and Bain.)
EXPLORING AUDIENCE INSIGHTS WITH AD MANAGER, AUDIENCE INSIGHTS TOOL:

**Audience Insights** shows demographical, interest and behavioral data about your audiences so that you can compare different audiences types, plan your campaigns and create relevant ads.

### Age and Gender
Self-reported information from people in their Facebook Profiles. Information only available for people aged 18 and older.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Page Likes</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age and Gender</td>
<td>44% Women 44% All Facebook</td>
<td>25% 31%</td>
<td>18% 12%</td>
</tr>
<tr>
<td></td>
<td>18 - 24</td>
<td>28% 36%</td>
<td>18% 10%</td>
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<tr>
<td></td>
<td>25 - 34</td>
<td>36%</td>
<td>18%</td>
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<tr>
<td></td>
<td>55 - 64</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>65 +</td>
<td>8%</td>
<td>4%</td>
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</table>

Learn more about which market is the right fit for your brand in the appendix.
Once you’ve decided on a market to expand into, you need to lay the foundation for an excellent consumer experience. This includes ensuring your marketing plan and operational structures are in place and optimized for your new market.

Use language that is not only local, but also takes cultural nuances into consideration. Translation services are needed. Provide a style and brand guide and have translations checked. [Use DLO for your ad creative, and translation services for your website and blogs etc.]

Images and fonts should be personalised to show local cultural and lifestyle differences. Collateral which is successful in your home country had been designed with a particular target audience in mind and may not be relatable in other regions.

Consumers like to read reviews and comments before buying, especially if the brand or product is new to them. Adding customer reviews and and rankings helps with social proofing. Advertisers should also consider building WhatsApp groups (esp. in emerging markets) and Facebook groups where people can read the real interactions between consumers and brands.

Being associated with a reputable local business organization such as the BBB Certificate in the US helps legitimate a business to people who don’t know it. It also shows commitment to your new market.

Source:
OPERATIONAL

Tech

- Internet speed: Is your site light weight enough to work efficiently on a limited internet connection?
- Data plans: Local data plans may limit peoples willingness to watch mobile video.
- Accept the local currency, people do not want to use a currency exchange to purchase your products.
- Work with a Facebook Marketing Consultant to help get set up in your new market.

Transparency

- If you are shipping from a 3rd party country, be clear about shipping costs and delivery times. 70% of purchasers say having clear information about delivery charges before purchase is important. ¹

Business Partners

- Entering a new market requires local knowledge. Everything from logistics, legal & tax issues to accepting payments and cultural understanding can benefit from local partnerships.

Conversational Commerce

- Making customer services available on Messenger or WhatsApp in the local language adds trust and value to the business.

MARKETING STRATEGY:

- Use narrow, well-defined marketing objectives around sales activations.
- Performance marketing focus (potentially with some brand activity).
- Relatively narrow set of channels, mostly online.
- Tight-knit marketing teams working on relatively similar activities.

FB PRODUCTS FOR ENTERING YOUR CHOSEN MARKET:

- Dynamic Language optimization
  Deliver the right language to the right person at the right time. DLO automatically translated your ad’s creative text into the interface language of people seeing your ads.
- International Lookalike audiences
  If you know who your best customers are now, we can help you find similar audiences in another country.
- Worldwide/regional targeting
  To reduce the guesswork involved in buying ads abroad, try targeting your Facebook ads to multiple countries. Our system will deliver ads to the countries with the best cost per action, giving you useful insights into which ads work where.
- Global Dynamic Ad campaign settings
  Use Machine Learning powered Dynamic Ads to showcase your catalogue to the right audience.

Source:

BEST PRACTICES

Tips & Tricks - top “things” to bear in mind.

Use a combination of paid marketing campaigns, content marketing, PR activity, and great customer experiences to build your brand.

Understand the difference between short term & long term. Brand building has longer term benefits but is harder to measure.

Influencer Marketing can help develop brand awareness and drive sales in new markets.

Adopt a test and learn mindset. Run studies, adopt winning options and repeat.

Start small and scale in steps. Measurement can help guide you on how to scale your campaigns.

Use ‘measures of success’ that ties marketing spend to business results.
MEASUREMENT

Entering a new market where your brand is unknown gives you a unique opportunity to measure the impact of your marketing efforts via incremental and brand lift studies. Your baseline conversion rate will be zero or close to zero and attribution and incrementality should be very much the same at this stage. Learnings gained here can influence your all of your marketing efforts.

- Focus on incrementality from the start. (See our Commerce Essentials, Demonstrating Incremental Sales booklet.)
- Leverage multi-cell tests for strategy optimisation and ongoing learnings.
- Combine econometrics with experimentation and incrementality.

MEASUREMENT TEST OPTIONS:

**Test CBB products**

- Dynamic Language Optimization: Does (DLO) drive more efficient sales lift compared to existing strategy?
- Worldwide/Regional Targeting: Does Worldwide/Regional Targeting drive more efficient sales lift compared to existing strategy?
- Multi-Country Look-a-Likes: If you know who your best customers are now, can we help you find similar audiences domestically, in another country or even internationally. Will using Multi-country Look-a-Likes drive increased advertiser efficiencies?
- Multi-Language & Country Dynamic Ads: MMDA lets you run global, regional or domestic dynamic ads campaigns and show localized content to users based on their preferences by using a single catalog. Does it drive increased efficiencies?

**Test Media Optimizations**

- Buying Test: Will new buy methods drive more efficient sales lift compared to existing buy methods?
- Automatic Placements Test: Does placement optimization buying or automatic placement drive increased advertisers' efficiencies?

**Test Creative Optimization**

- Creative quantity: Brand advertisers often create multiple assets. Do Campaigns with fewer assets drive equal or better sales lift compared to campaigns with many assets?
- Sequencing: Will sequencing a series of messages result in better brand or sales lift compared to a non-sequenced strategy?
Facebook’s tools are a great way to find new opportunities, however successfully entering a new market requires a great deal of market research. You’ll need an in-depth understanding of market conditions including; a competitor analysis, growth potential projections and an understanding of barriers to entry. Savvy businesses also consider an exit strategy if things don’t go to plan.

**PERFORM MARKET ANALYSIS**

A *PESTLE analysis* framework is used to analyse macro-environmental factors that have an impact on an organisation’s performance. Understanding the overarching issues which may affect your brand expanding into a new market is essential.
PORTER’S 5 FORCES

Porter’s Five Forces is a model that identifies and analyzes competitive forces that shape every industry. Understanding how your industry operates in a new market can help you decide if entry is a viable option.

1. THREATS OF NEW ENTRY
   How easily others could enter your market and threaten your company’s position?

2. THREAT OF SUBSTITUTION
   Determine the likelihood that your customers will replace your product or service with an alternative that solves the same need.

3. BARGAINING POWER OF SUPPLIERS
   Analyze how easily suppliers could increase their prices and thus affect your bottom line.

4. BARGAINING POWER OF BUYERS
   Determine whether buyers have the power to drive your prices down.

5. COMPETITIVE RIVALRIES
   Look at the number and strength of your existing competitors.
### 9 POINT PLAN TO ASSESSING A NEW MARKET

Assess how your business will expand by looking at these 9 granular points when deciding if your business should expand into a new market.

<table>
<thead>
<tr>
<th>Market size</th>
<th>Competition</th>
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<tbody>
<tr>
<td>What is the overall global, regional &amp; country market size for your product or service. Is the market opportunity large enough to make your investment worthwhile?</td>
<td>Identify competitors, what is their market share?</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the market ready for your product/service?</td>
<td>What's the existing customer base for your competition?</td>
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<table>
<thead>
<tr>
<th>Costs</th>
<th>Partnerships</th>
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</thead>
<tbody>
<tr>
<td>What are the tangible cost? – logistics, office, staff, etc.</td>
<td>Will you need partners?</td>
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<thead>
<tr>
<th>Regulations</th>
<th>Localization issues</th>
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<tbody>
<tr>
<td>Which rules and regulations will affect you?</td>
<td>• Language.</td>
</tr>
<tr>
<td>Import taxes/VAT.</td>
<td>• Regulatory.</td>
</tr>
</tbody>
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<tr>
<th>Strategy</th>
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<tbody>
<tr>
<td>Having all the information and data is great. But how do you put it all together? What’s the strategy to accessing a new market?</td>
</tr>
</tbody>
</table>
ASSESS INTERNAL CAPABILITIES

Know your brands strengths and weaknesses as they pertain to your new market. Strengths in one market, may not be as relevant or could be weakness in another. Know which aspects of your business that will advance your goal of succeeding in a new market and address any issues which may hinder your plans.

Conduct an SWOT analysis to assess focused on your ability to successfully enter a new market:

**Strengths – Internal**

What are we good at?
1. Financial Strengths:
2. Customer Strengths:
3. Internal Strengths:
4. Learning & Growth Strengths:

**Weaknesses – Internal**

What are we NOT good at?
1. Financial Strengths:
2. Customer Strengths:
3. Internal Strengths:
4. Learning & Growth Strengths:

**Opportunities – External**

Where do we see future success?
1. Financial Opportunities:
2. Customer Opportunities:
3. Internal Opportunities:
4. Learning & Growth Opportunities:

**Threats – External**

Where do we see future risk?
1. Financial Threats:
2. Customer Threats:
3. Internal Threats:
4. Learning & Growth Threats:
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