Merchandise

• Selection

• Rationale: Accuracy, Relevance AND Evidence
  – Customer/Consumer Considerations
  – Company Considerations
  – Competitive Considerations
Merchandise

• Customer/Consumer Considerations
  – Demand Reasons
    • Level & Growth Rate of Demand for Recommended Service/Product in Recommended Country
    • Decreasing/Stagnant Customer/Consumer Demand in Home Country Combined with Increasing Customer/Consumer Demand in Recommended Country
    • Growth in Global Demand
    • Demand Exceeds Supply in Recommended Country
    • Derived Demand (Increased Customer Demand for One Service/Product Resulting from Increased Customer Demand for Another Service/Product)
Merchandise

- Customer/Consumer Considerations
  - Customer Benefit Reasons
    - Lower Price
    - Cost-effective Alternative
    - Service/Product Increases Customer/Consumer Revenue
    - Better/More Service/Product Features
    - Service/Product Overcomes a Customer/Consumer Deficiency
    - Distribution Advantage
    - Promotion Advantage
Merchandise

• Customer/Consumer Considerations
  – Customer Behavior Reasons
    • Amount/Growth Rate of Merchandise Consumption by Customers/Consumers in Recommended Country
    • Customer Lifestyle Change that Service/Product Can Exploit
    • Favorable Trend (Living Longer)
    • Unfavorable Trend (Rising Obesity)
    • Favorable Marketing Environment
    • Customer Preference for American-Made/Supplied Merchandise
Merchandise

• Customer/Consumer Considerations
  – Customer Reasons
    • Favorable Change in Customer Expectations or Preferences that Merchandise can Exploit
    • Increased Customer Affluence Leading to Enhanced Ability to Buy Recommended Merchandise
    • Un-served/Under-Served Market
Merchandise

• Company Considerations
  – Financial Benefits
    • Size &/or Growth Rate of Service/Product
      Profits/Revenues in Home Country AND Similarity of
      Recommended Country to Home Country
    • Declining Profitability in Home Country Combined
      with Potential Profitability in Recommended Country
    • Profitability of Recommended Merchandise in
      Recommended Country
    • Importance of Service/Product to Recommended
      Country
Merchandise

• Company Considerations
  – Financial Benefits
    • Economies of Scale: Spreading Fixed Costs Over a Larger Output
    • Economies of Scope: Using Something Over a Greater Geographic Area
    • Customer/Consumer Price In/Sensitivity
    • Low Volume Break-even
    • Minimal Service/Product Cannibalization
Merchandise

• Company Considerations
  – Strategic Benefits
    • Concentration
    • Diversification
    • How Merchandise Helps Company Achieve Some Specific Corporate Goal
    • Past Success in Home Market or Foreign Market
Merchandise

• Company Considerations
  – Strategic Benefits
    • Appeal to Early Adopters in Recommended Country: 1st Mover Advantage
    • Appeal to Early/Late Majority: 2nd Mover Advantage
Merchandise

• Company Considerations
  – Organizational Benefits
    • Exploit Some New/Improved Company Capacity
    • Corporate Cultural Benefit
    • Synergy
    • Exploit Company Reputation
    • Exploit Some Capacity Found in the Recommended Country
Merchandise

• Company Considerations
  – Marketing Benefits
    • Success in Home Country (Implying Potential Success in Recommended Country)
    • Building a Global Brand
    • Low Market Penetration
Merchandise

• Competitive Considerations
  – Your Company’s Competitive Advantage
  • What is it
    – Lower Price
    – Service/Product
      » Higher Quality
      » Better Guarantee
    – Better Distribution
    – Better Promotion
Merchandise

• Competitive Considerations
  – Your Company’s Competitive Advantage
    • Significance to Customer
    • Importance to Customer
    • Communicability to Consumer
    • Affordability by Customer
    • Distinctiveness of Advantage
    • Superiority of Advantage
    • Sustainability of Advantage
Merchandise

• Competitive Considerations
  – Competitor’s Competitive Disadvantage
  – Competitive Diffusion/Concentration
  – Local Competitors’ Inability/Unwillingness to Provide Recommended Merchandise
  – No/Few Substitute Services/Products
Merchandise

• Selection

• Rationale: Accuracy, Relevance AND Evidence
  – Customer/Consumer Considerations
  – Company Considerations
  – Competitive Considerations