

Q&A with Carol Webster of Cassel International



Carol Webster founded [Cassel International](#) in 2003 to provide strategic planning and marketing services for businesses that wish to enter or expand their presence in the global marketplace.

Carol has over 25 years of experience in the U.S. and Europe in international marketing management, in such diverse fields as engineering, automotive, apparel machinery, specialty food and industrial textiles. Her expertise lies in the areas of strategic business planning, business analysis, marketing management for consumer and industrial products, establishment and management of worldwide agent/distributor/sales networks, and corporate communications. Carol has excellent professional and personal contacts the world over, and her reputation for efficiency and performance is unmatched.

She has spoken at conferences worldwide, including the U.S., Czech Republic, Germany, Brazil, Australia and the People's Republic of China, and is currently teaching marketing and international business classes at the University of Phoenix in Nashville.

In addition to speaking English, Ms. Webster is fluent in German and conversant in both French and Spanish. She has traveled extensively for both business and pleasure (at last count more than 70 countries), and is well versed in cross-cultural communications.

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You have an extensive background in international marketing management, both here in the U.S. and Europe. What are the key features of a strategically successful international marketing approach for companies today?

In a word, the key to a successful international marketing approach is *differentiation*. To be able to supply the appropriate product or service overseas which meets your customer's need requires you to understand differences in culture, economy, competitive landscape, technical standards, government regulations and distribution systems and adapt your product, service and perhaps even selling or marketing approach accordingly. For example, if you are selling a refrigerator in a different country, you may need to consider consumer space requirements in a typical living space, shopping frequency and number of family members (as an indicator of possible size requirements), color preferences, what kinds of food purchases are typically stored in the refrigerator and what shelving/bin styles are necessary to accommodate them and other factors.

How does this approach differ for companies marketing to consumers (B2C) than businesses (B2B)?

The basic approach is not different. However, there tend to be more issues to consider in B2C than B2B, simply because of deep-rooted traditions and preferences, especially when it comes to consumables in the area of food and beverage, and products which carry some scent. Coffee may not achieve acceptance in a predominantly tea-oriented society; frozen foods may be an affront to societies who place high importance on fresh foods and their preparation, and a fabric softener sheet with "soothing lavender scent" which is well received here in the U.S. may be totally inappropriate in some countries!

How do international marketing challenges typically differ for smaller or start up companies than for larger or well-established companies?

Small or start-up companies often do very well in international marketing! In fact, according to figures released by the U.S. Small Business Administration, small businesses (categorized as those companies

with 500 employees or less) not only represent 99.7% of all employer firms, employ 53% of the workforce and account for 51% of private sector output, they also represent 95.7% of all exporters in the U.S. and contribute almost 30% of the value of exported goods. However, the biggest challenge for smaller companies is simply not having the staff, time or expertise to devote to developing a well thought out international marketing strategy or plan. Larger companies usually have much better access to the necessary resources they need to be successful, and are probably not relying heavily during their starting international business phase on the revenue from that sector.

Which industries or business sectors have developed the most comprehensive international marketing strategies and why do you think that is?

It's interesting to look at the Top 100 Brands published yearly by Interbrand Corporation, and see what changes have occurred and which brands are considered to have a truly "global reach" today vs. several years ago. One of the qualifiers for consideration to be named to this list is that the company must obtain at least one-third of its earnings outside its home country (which does eliminate some fairly large companies/brands such as Wal-Mart). For example, Interbrand's 2007 rankings show the Top 10 global brands as Coca-Cola, Microsoft, IBM, GE, Nokia, Toyota, Intel, McDonald's, Disney and Mercedes. In the last three years, there has not been much change on this Top 10 List, with the exception of Marlboro not surprisingly dropping out and Mercedes moving in. Certainly computer, telecommunications and consumer products companies have dominated as global brands; financial services and pharmaceutical companies are moving up in the ranks, as are Internet services, personal care and luxury goods producers.

Which industries or business sectors could still benefit the most from developing a more global approach to marketing?

In general, I believe the services sector continues to lag behind companies producing and selling products in any industry. So many service companies are geared toward fulfilling a need in their immediate regions, and oftentimes it's difficult to see how it would be possible to increase their geographic customer base. That could begin to change as people see how some services are easily performed from other areas; a case in point is of course the call service centers springing up elsewhere which are providing product and technical support for large companies from remote locations. Just recently, a Nashville, Tennessee-based disease management company (Healthways, Inc.) signed its first international contract to provide coaching, education and guidance over the telephone and by Internet to a German health provider.

I also think franchising will continue to grow as a way for service businesses to expand geographically.

Which economic and technology trends do you think will have the greatest impact on international marketing in the next five years?

Certainly from an economic standpoint global trade will increase further as trade and investment barriers continue to disappear; as a result, I would expect to see countries which might be classified as less developed today continue to benefit from increased trading opportunities. In concert with that trend, I would expect the U.S. to continue to move toward becoming "just another country" rather than a world business leader as more and more multinational firms originate elsewhere and the capital markets worldwide move to reflect that change. 10 years ago, over half of companies classified as multinationals (MNCs) originated in the U.S. or Japan; today that number is smaller, and more MNCs are originating in Asia-Pacific and Latin America, where economic growth has been strong. According to Gerald Davis of the University of Michigan, by 2005 all but two of the world's 25 largest corporations were listed on the New York Stock Exchange (the exceptions being Germany's Volkswagen and France's Carrefour) and there were more foreign firms listed on the NYSE than there were German firms on the German stock exchange.

From a technology standpoint, we will continue to see an increase in e-commerce globally. The world is definitely moving away from a “U.S.-centric, English-speaking web.” The International Data Corporation states that the number of American Internet users dropped from half in 1998 to less than one third in 2004. The use of the Internet will certainly allow companies easier access to competitive intelligence as well as other information they need to move their company or products into a new geographic area. Although weblogs (“blogs”) have traditionally (can you say “traditionally” about a phenomenon that is only a few years old???) been personally published, as companies continue to gain sophistication in the international marketplace, there will be most likely be increased use of blogs by corporate entities.

Because of the continuing threats and risk of terrorism worldwide, I would expect to see new technology related to tracking and inspecting international freight, particularly containerized ocean freight.

What criteria help you and a prospective client determine if their company can benefit from international business planning consultancy?

Typically, we work with prospective clients to truly understand their motives and reasons for wanting to expand internationally. We spend a lot of time in an initial “discovery meeting” asking a series of introductory questions which might include:

What are your primary reasons for “going global”? (for example: too much competition in home territory, starting to get inquiries for product from overseas, losing market share in home market, product at end of life cycle in home market, etc.)

What kind of international business or marketing expertise, if any, do you have on staff?

In your long-term strategic planning, have you established a goal for the level of international business you wish to achieve (can be %, \$)?

Why do you think (and this is before we would get involved in any market research) your product or service would be a success elsewhere? What indicators do you have already?

Based on those initial answers, we would determine if we see an initial possibility for moving forward and develop a market research plan to determine product/service sales feasibility. And of course based on our findings, we would recommend either a “go” or “no-go” strategy as a result.

What do you find surprises companies the most about strategic international marketing?

One of the biggest surprises for my clients has been the *complexity* of international business in general! Although the principles of marketing in general don’t vary much, there are the differences I’ve mentioned previously. And in addition to those differences, the issues of payment terms, establishing the creditworthiness and/or credibility of potential clients, customers and distribution partners, pricing, logistics and transportation and many other issues come into play and have to be considered.

Given your global business expertise, which industries are leading the way in international trade growth between the U.S. and the following markets: China? Brazil? Russia? Eastern Europe? Mexico? Are there other regions where specific U.S. industries should be planning for entry or growth in order to be competitive?

China is in a position to be a huge consumer now of natural and other resources to fuel its rapidly growing expansion in manufacturing and industry. According to the U.S. China Business Council, China is the U.S.’s fourth largest export market; exports to China increased 157% over the period of 2000 – 2005. Tennessee exports alone to China grew 802% over the same period (in 2005, Tennessee was the No. 6 exporting state to China with a total of US\$1.4 billion); although cotton makes up about half of that figure,

other strong areas continue to be chemicals, electronics and machinery. We can expect to see further growth in exports of machinery, chemicals, transportation equipment and even computers and electronic products to China.

All of Eastern Europe has a need for updating its infrastructure, as well as its manufacturing base in a variety of industries. Demand for production machinery and construction is particularly heavy throughout the region.

Because Brazil's rampant inflation has stabilized to a great degree, it is much easier to look at bringing products into that area. The U.S. remains Brazil's number one trading partner, and there are tremendous opportunities in several areas, including automotive and aircraft parts, oil field drilling and related equipment, cotton, and chemicals and fertilizers.

Although Mexico is highly dependent on its exports to the U.S. (more than a quarter of its GDP) there are a number of opportunities due to its open economy and of course NAFTA. Strong areas for imports from the U.S. continue to be motor vehicle parts, chemicals and electronic equipment, some of which is inter-company trade as U.S. companies have established lower-cost manufacturing operations in Mexico.

Thank you for talking with us today. Before we wrap up this interview, would you share a story or two from your own international travels?

Gosh, so many stories to choose from – I've even thought about writing a book incorporating all of them!

Certainly over my travels I've experienced some very interesting food offerings! My goal is to always try everything at least once.....and I've certainly eaten a few things that qualify for only once. Once I got over the appearance of the small bowl of white worms (actually smoked baby eel) that I was served in Chile, the dish was absolutely delicious! I can say the same for the live snake that was brought to my table in Shanghai before dinner for a brief introduction before being taken off to be cooked and returned. But the barbecued beetle whose legs got stuck in my teeth I could easily do without!

I did a trade show in Nagoya, Japan a few years back, and it involved the setup of some fairly complicated industrial equipment. I had everything well in hand, my flight over was perfect, but my luggage was three days late. Trying to keep the weight of my carryon briefcase to a minimum, I foolishly packed all the trade show papers and confirmations in my suitcase....needless to say trying to reconstruct all the orders for electricity, forklift drivers, and whatnot was an absolute nightmare! And to top it all off, I took a tour of the harbor the second day I was there (my day to adjust for jetlag) and ended up accidentally throwing my Japanese phrasebook overboard.

In Iran, I once admired the lustrous, shiny, silky hair of a beautiful Iranian woman named Lily....again with my trusty phrasebook, I tried to ask her what she used to make her dark auburn hair so lovely. She wrote the name of the product down and even went to the store with me to purchase it. When I got back to the States, I dutifully washed my hair and plastered the product onto it, covered it with a towel and sat down to wait for the results....lo and behold, the towel turned bright red, and the henna concoction she had purchased for me turned my hair a dark eggplant shade! Not quite what I'd had in mind.....although it was shiny!

Although there are countless tales of lost luggage, wrong turns, decidedly unusual hotels (including one in Italy that had a shower so small you couldn't lift your arms to shampoo your head!), bizarre air travel incidents and unfortunate misunderstandings due to language issues and more, I wouldn't trade any of it for the world! The memorable experiences I've had and the wonderful people I've met in more than 70 countries are an integral part of me and my thought processes today, and have certainly contributed to my understanding of the importance of patience, cross-cultural understanding and humor when traveling and working in the international business world.

8-07 Translation Buzz Blog

By Carol Webster

During one of my recent *International Business* classes for adult learners, we had the opportunity to discuss the concept of political risk for businesses developing operations overseas. In that context, we were reviewing a list published by *Foreign Policy* magazine which ranks countries by political risks and other threats. Not surprisingly, Sudan and Iraq topped the most recent list. Then I heard a student ask why the state of Georgia was included on a list of countries! Quite frankly, I did not know how to respond. Add to that the fact that one of my close friends mentioned a son's classmate (granted, it was 4th grade) asked if you had to have a passport to go to California. It started me thinking. Are we doing enough to educate our up and coming generation and future business leaders about our global world today?

Are elementary school students taking and understanding world geography? Do we offer adequate foreign language training at an early age in all our school systems? Are we encouraging university students to spend a semester abroad? (In fact, according to Allan Goodman, president and CEO of the Institute of International Education, states that despite the doubling of study-abroad enrollments in the past decade, only 1% of college students study abroad each year). Are we fostering a global mentality in our workforce today? Are we offering cross-cultural communications training to executives traveling overseas?

Today's business leaders need to push for all of these things in order to ensure the future success of American business. Let's "go global" today to meet the challenges of tomorrow.

10-07 Translation Buzz Blog

By Carol Webster

With all the talk recently about the recall of toys, jewelry, pet food, toothpaste and other everyday product carrying the "Made in China" label, I hear people regularly saying "That's it! I'm not buying anything else from China!" Some are even going so far as to say everything they purchase in the future will be American-made.

First, it certainly is an eye opener for both our overseas suppliers and the U.S. companies who are importing on a regular basis. *Both* should take responsibility for the safety of the products being sold to consumers worldwide.

According to an article in *Logistics Management* in July 2006, more than 11 million containers entered were imported into the United States that year; 13 million are expected to enter the U.S. in 2007. Of those, the *USA Today* reports that only 6% are physically inspected. Not only is this a matter for port security, but for consumer safety as well. Growing imports will continue to stretch what some are calling the FDA and USDA's insufficient funding. So therefore the impetus is on both the overseas manufacturer and the U.S. importer to adhere to strict safety standards.

Changes are already underway. According to the *China Daily*, by the end of 2007 the General Administration of Quality Supervision, Inspection and Quarantine in China plans to release the country's very first regulation on food recall as part of its efforts to continue improvement in the area of food safety. Many others will be taking the same steps.

Sure, I can understand the concern. It is frightening to think you or your loved ones are being exposed unnecessarily to lead or other harmful contaminants. But there really is no need for hysteria. If you think only imported products are of concern, reflect on the issues we have had in the U.S. with tainted spinach and other U.S.-grown and manufactured products. And today's heightened awareness should increase the safety of many products in the coming years.