International Marketing and Product Development

Moderator: Mr. Nigel Wallbank

Basic Brand Marketing

Moderator: Mr. Nigel Wallbank

Tony Plamton: Background

- President and Partner in Re-Solutions, a Broker and Consultant in US Health Market

Speaker: Tony Plampton
Developing Markets

Speaker: Mr. Patrick Merkley
President ATMSafe Global,
Global Vice President,
International Business Development

P. Merkley: Background
• Conceived and Developed ATMSafe program for Domestic and International Markets.
• Sold ATMSafe business to Global Benefits Group in 2008.
• Current responsibility include the management of the ATMSafe program and International Business Development focused on alternative and emerging markets.

Developing Markets

• Seminar Introduction:
  – International Market Development and Developing International Markets.

  – Pencils at the ready, sitting and attentive. In the wrong seminar…too late…we are here and the door is locked!!!!!!!!

  – Thanks for coming to our session today
Markets and Developments

Speaker: Tony Plampton

Background

- Over 25 Years in the US Health Insurance Market as a broker and consultant
- For the last eight years President and Partner in Re-Solutions, a reinsurance broking and consulting company

Developing Markets

- Massive subject, tried by the best, many approaches, no Silver Bullet.
  - Successful Strategies for Developing New Products and Services- International Markets.
  - Not so Successful Product Attempts
Great Companies Produce Great Products
and these Products become
Iconoclastic
Brands

What happens when “they” try to extend
this brand, market to the wrong market,
go upscale, or worse …go international?

New Coke

Don’t Mess with a Winner.

New Coke…most famous of all failed product launches

Why make a new coke when the old coke was pretty
good
McDonald’s Big Mac

Don't Go Somewhere you Don't Need to be…

McDonald's offered a "better, more adult" burger at a "more adult price."

…Is Mickey D's really a place where adults go to get adult food.

No offense to McDonald's or those who had lunch there yesterday.

Markets set Prices... Consumers Enforce the Point

IBM PC jr. was a superior product when introduced to the inexpensive, family oriented Market.

The Consumer is not always right but at twice the price of the nearest competitor Atari won the day.
Levi’s Type 1 Jeans

Expensive Super Bowl Ads don’t sell the Product if the Consumer Doesn’t Get the Ad.

The image doesn’t match the consumers’ concept of the product.
Result.
Great Ad…Good Game…no sales.

The Edsel looks expensive— but it isn’t

The Edsel won’t Sell at Any Price

Who Knows Why…Maybe the Name…Maybe the Price…
‘Hey there…want to go for ride in my Edsel…”

Edsel can be a Revered Name in some Cultures…Consumers respond to Names and not all Names mean
the Same Thing
The Name should Match the Product...light means light...portable means portable.

The Macintosh Portable weighed more than the person carrying it...making it less than portable. The Mac Portable was replaced in two years.

Consumers know when the name doesn’t match the product and respond accordingly.

US Health Insurance

• Self Funded Insurance Market
  
  • Uncertainty
  
  • Opportunity
Developing Markets

Speaker: Patrick Merkley

Developing Alternative Markets

– Overview:
  • Definition of Markets
  • Application of the Coke, McD’s, IBM, Levy, Edsel and Portable Computer lessons.
  • Entering New Markets
Globalization

The World is Shrinking and The Markets Expanding

• In 1900 world trade was approximately $10,000,000.
• A payment would take a month or more to settle.
• Carrier Pigeons were the fastest form of communication.
• Insurance was largely Property/Casualty Oriented
Globalization
Markets Rapidly Expanding

Regional Markets and Practices Prevailed
Increase in Available Payment Methods, Melding of Best Practices, Establishment of Commercial Codes
Communications are instantaneous and widespread. Emails, Skype, Internet

Globalization
The World is Shrinking and The Markets Expanding

Pre-Globalization
• In 1900 world trade was approximately $10,000,000
• Policy was Isolationism
• A payment would take a month or more to settle.
• Carrier Pigeons were the fastest form of communication.

Globalization
• World Trade ????
• Policy is Interdependence
• Payments can occur instantly – Individuals can send money anywhere in the world in less than 24 hours and in some cases, minutes.
• Countries view OFW’s as a National Resource.
• Remittances are the largest source of Foreign Currency
• Hard to find Carrier Pigeons
Trends Allowing Globalization

- Important Trends which Increase Possibility of International Trade
  - Civil and Commercial Codes are being Standardized. International bodies for Dispute Resolution.
  - Large percentages of any Countries Population has migrated to new countries. Emergence of International Professional “Nomads”
  - Narrowing telecommunication gaps resulting in an increase in cross border socialization.

Market Size and Opportunity

- Between 2005 and 2008, Number of Employees with overseas International Assignments Doubled.
  - 38% Increase in “Global Nomads”
  - 11% of Philippine Population is working overseas at One Time.
    - Largest Source of Foreign Currency
  - China is preparing Wholesale training of “Blocks” of workers for overseas assignment.
Market Development: Entering New Markets

- World is changing and as opportunities narrow in domestic markets, International are growing.
  - Growth is due to technology
  - Flattening of communication channels and payment gateways
  - Convergence of Best Practices
  - Regionalize and Get the Best Local Partners
  - Commit to the long term market.

Market Size and Opportunity

Financial Trends Creating Marketing Opportunities

- Global Trade and Multinational Organizations are Integrated in the Economy

- Monetary Systems since 9/11 have been changed to allow greater efficiency and transparency.

- Global Monetary Remittances exceed $200 billion per year. Average remittance $249.
Market Development

• Opportunity Definition:
  – Expatriates and OFW's working in Transnational environments.
  – Students and International Travelers
  – Exporting of US and European Technology and Expertise to developed, moderately developed and emerging economies.
  – Utilization of International capacity in emerging markets.

Market Development
Macro: Entering New Markets

• Important Components
  – International Market Development is a slow and difficult process.
    • Determine Actual Need
    • Adapt Product to Meet Local Needs
    • Present Product in Local Language
    • Stand and Deliver what is Promised

• Find the Right Partners
  – Not everyone is related to the President
Market Development
Entering New Markets

Adapt the Product to meet the local need.
Define Need on a Local Level.

- Insurance needs vary significantly
  - Industrial Segment
  - Economic Development
  - Affluence of Target Market
  - Cost of Living

- During the Tsunami in Southern Asia the amount of life insurance benefits paid out was less than ~10% of the total insurance loss.

- Maternity Costs in the Philippines are less than $5,000, in Ecuador less than $2,500.

- Accidental Death in some highly religious countries traditional don’t sell well due to views on Death.
**Market Development: Entering New Markets**

**Quick Lessons:**

- **Regionalize Benefits:**
  - Coffee doesn’t always mean coffee
  - Dollar means a lot of different things and not necessarily US Dollars
    - English: “The premium is $100,000”
    - Spanish: “el es de $100,000 dólares”

- **Local Language:**
  - Forex: $100,000 mxp = $7,538 usd

- **Diversify Product and Delivery Model:**
  - Addresses, phone systems and other traditional methods may not be available.

- **Sensitive to Local Issues and Cultures:**
  - Holidays are different and not based on the US calendar. White is not good in some places. Sunday is better than Saturday but not always.

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**Micro Marketing**

**Tony Plampton**

**President – Re-Solutions**
**Entering New Markets**

- What is the Need
- Will People Buy
- How do Access the Consumer
- What Partners and Resources do you need.
- What will the product look like?
- Compliance
- Are there any products on the street already meeting the need?

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**Successful Strategies for New Products**

**Need**

- Talk to existing Clients/Markets
- Market Research
Successful Strategies for New Products

Will people buy?

• Need is not enough

• Great Products don’t always sell

• NCB Terror Cover

Successful Strategies for New Products

Will people buy?

• Market Research

• Need and Will people buy?
Successful Strategies for New Products

Access to the Buyer?

• Distribution

• Point of Sale

Successful Strategies for New Products

Resources and Partners

• In-house or outsourced

• Funding
Successful Strategies for New Products

Product Design

• What is out there?
• 2nd to the market

Successful Strategies for New Products

Opportunities

• Overseas
• Healthcare Reform
• Senior Products
• Captives/ART
New Products that did Work!

• Sony Walkman

New Products that did Work!

Dyson Vacuum
Jared and Subway Sandwich

New Product Coming?

OBAMACARE
Health Insurance Policy
For Groups, Individuals, Associations and Everyone

- Limit: Unlimited
- Coverage: Unlimited
- Cost: Unknown
- Period: Until the money runs out!