

Lesson 2 - Marketing Challenge: Some products come freely, others are restricted

In this lesson, we will examine barriers that prohibit products from entering the Canadian market. We will also learn about Canadian products that are restricted from entering certain foreign markets.



Export and Import Controls



- ▶ Businesses do not need a formal license to engage in exporting or importing, but in some cases they may require a license to export certain products and to export to certain destinations. Export licensing controls apply to obvious products like nuclear energy materials and military products, but they also apply to things like softwood lumber and clothing.
- ▶ Export controls are intended to serve national security and to promote and protect domestic businesses.

Export and Import Controls Bureau (EICB) (1 of 2)

The Export and Import Controls Bureau is responsible for administering the Export and Import Permits Act (EIPA) that was first enacted in 1947. The EIPA delegates to the Minister of Foreign Affairs wide discretionary powers to control the flow of goods contained in specified lists provided for under the Act.

Export and Import Controls Bureau (EICB) (2 of 2)

While the economic benefits of free-flowing trade are one of Canada's greatest assets, controls have been judged essential for a variety of reasons:

- ▶ to regulate trade in military and strategic dual-use goods, and prevent the proliferation of weapons of mass destruction, as we are obliged to do under multilateral agreement;
- ▶ to prevent the supply of military goods to countries that threaten Canada's security, are under UN sanction, are threatened by internal or external conflict, and/or abuse the human rights of their citizens;
- ▶ to protect vulnerable Canadian industries, such as clothing manufacturing;
- ▶ to obtain negotiated benefits from international agreements;
- ▶ to implement trade restrictions in support of Canada's supply management programs;
- ▶ to fulfil other international obligations;
- ▶ to implement UN Security Council trade sanctions.

Softwood Lumber - Handout

Softwood lumber is one of Canada's largest exports to the United States, with 21.5 billion board feet of lumber shipped in 2005 alone. Those exports were worth \$8.5 billion and they continue to comprise an important element of the largest trading relationship in the world.

Read remaining part of article on Handout then Complete Questions on Next Slide



Softwood Lumber Questions (1 of 2)

1. What is softwood lumber?

Softwood lumber: Easy-to-saw wood, such as pine and spruce, used in building.

2. What is a board foot?

Board foot: A unit of volume for wood equal to 144 cubic inches, or one square foot of one-inch-thick board.

3. What are countervailing duties?

Countervailing duties: Duties applied on imports that are found to be unfairly subsidized.

Softwood Lumber Questions (2 of 2)

4. What is dumping?

Dumping: Selling goods in another country at less than what they cost to produce.

5. What is stumpage?

Stumpage: A fee charged to logging companies for the right to harvest lumber from public land.

Import Controls

When an exporter plans to sell to a foreign buyer, they must consider the export restrictions of the home country. Upon arrival in Canada, certain goods may be prohibited or controlled, or require special permits, inspections or conditions to be met in order to allow them into Canada. These include firearms, food products, steel products, textiles, and clothing.



The U.S. Canada Lobster Dispute

- ▶ Handout: Read The U.S. Canada Lobster Dispute
- ▶ Complete Assignment #1 Discussion Questions



Lesson 3 - The International Consumer

Consumer profiles, expectations, and behaviour differ from country to country. This lesson will give us some insight into international consumers from a marketing perspective.



International Consumers (1 of 2)

The opportunities and challenges for international marketers of consumer goods and services have never been greater or more diverse. Many international marketers are looking to emerging markets in China, India, and eastern Europe. In the more developed countries of the world there are opportunities and challenges as purchasing power increases and consumer tastes become more complex.

International Consumers (2 of 2)

This environment is placing new emphasis on some basic tenets of business. It is shortening product life cycles and focusing on the importance of quality, competitive prices, and innovative products. This puts more power in the hands of the customer and that drives the need for quality. Today's consumers are sophisticated and highly fragmented. Product suppliers and retailers alike are chasing consumers with mind-boggling arrays of new products and categories and new shopping formats.



Assignment #1 - Consumers International

Consumers International (CI) is an independent global organization that advocates for consumers. Refer to websites, such as

[Consumers International](http://www.consumersinternational.org/)

(<http://www.consumersinternational.org/>), to find out more about this organization and answer the questions **on the handout**.

What Does a Marketer Need to Know About International Consumers? Cross Cultural Symbols (1 of 2)

Culture consists of learned patterns of behaviour common to members of a given group that create a unique lifestyle. Cultures can be differentiated by their symbols. Cultural symbols exist around the world because people attach meaning to structures, making them icons to represent a place, a region, or a historical period.



What Does a Marketer Need to Know About International Consumers? Cross Cultural Symbols (2 of 2)

People's perceptions of the same symbol depend on their individual or collective mental and emotional associations. Mexicans and Americans have quite different views of the Alamo in San Antonio, Texas.

Cross-cultural symbols include language, values, technology, education, religion and social organization that people accept and carry with them as their norms.

Assignment #2 - What Do Colours Mean?

Choose a colour - white, black, and gray are colours too - and create an electronic poster that illustrates the meaning colour can have in different cultures.

[See Handout for Assignment](#)

What Marketers Need To Know: Translations (1 of 2)

Question

- ▶ 1. Did sales of the Chevy Nova fail to take off in Latin America because Nova means won't go in Spanish?
- ▶ It's false. The urban legend suggests that when General Motors introduced the Chevy Nova into Spanish speaking countries, sales failed to meet expectations because "No va" means "won't go" in Spanish. In English you wouldn't look at the word notable and see "not able".

What Marketers Need To Know: Translations (2 of 2)

Translation is not as easy as it might seem. You must follow the example set for you instead of transforming the idea into your own. There are other considerations. You must possess judgment and flexibility.

► **Here's an example: to put something on the table.**

In British English, it means "to discuss the idea."

In American English, it means "to shelve" or "to adjourn indefinitely the discussion of the text."

If translation can be a challenge between to variations of a single language, then imagine how difficult it would be between to entirely different languages.

Assignment #3 - Bad Translations

See Handout for Assignment:

Logos, slogans, brand names, and promotional messages must be accurately translated. That has not always been the case.

Create a Top Ten list of bad translations. According to the writers of Late Night with David Letterman the key numbers are #2 and #6 so save those spots for the best examples you can find.

Mastering Relevant Languages (1 of 3)

Mastering two relevant languages is not enough; you have to master the art of constantly jumping from one into the other and back. Languages are more than intellectual structures. Each language has a certain atmosphere, a style of its own that differentiates it from all others. If you compare such English expressions as software and, on a road sign, soft shoulder with their French equivalents, you realize that there is a very definite switch in the approach to communication. The French translations are respectively logiciel and accotements non stabilisés.

Mastering Relevant Languages (2 of 3)

The English phrases are concrete, metaphorical, and made up from words used in everyday speech, although this does not contribute to better comprehension: knowing the meaning of soft and of shoulder does not help you to understand what a soft shoulder is. In French, the same meanings are conveyed by abstract and descriptive terms, which do not belong to everyday usage.

Mastering Relevant Languages (3 of 3)

Problems caused by ambiguities, unexpressed but implied meanings, and semantic values without equivalent in the target language require a lot of thinking, a special knowledge of the field and a certain amount of research -- as for instance when you have to find out if an industry being developed already exists or not, or if United Nations Secretary-General Ban Ki-Moon is a male or a female, which, in many languages, will govern the correct form of the adjectives and even the translation of *secretary*.

What Marketers Need To Know: Ethnocentrism (1 of 2)

Success in international business is going to depend on your ability to adapt to the environment differences from one country and one culture to another. That may mean having to overcome your natural inclination towards ethnocentrism.

Ethnocentrism is the notion that one's own culture is the norm or the best way to do things. When confronted with a situation we react spontaneously on the basis of what we have learned and assimilated over our lifetime. When faced with a problem in another culture, the tendency is to react. Sometimes this leads to poor decisions.



What Marketers Need To Know: Ethnocentrism (2 of 2)

One example of ethnocentrism is our notion and perception of time. Canadians are a time-bound culture. Consider all the metaphors we have relating to time: time is money, making time, time saving device, running out of time, part time work, wasting time, investing time, spare time, budgeting time, living on borrowed time, and so many more. Thank you for your time. Our sense of time is not universal. While Canadians break time down to small units and are very concerned about promptness, it is less important in other cultures

What Marketers Need To Know: Income and Spending Habits (1 of 3)

Comparing consumer spending and incomes is a difficult process. Costs of living, taxation, and cultural expectations all have a role to play. One possible way to compare consumer spending is to examine how much of their income consumers spend for food. It is a barometer of how well off they are. The less money people spend on food, the more money is available for items other than basic necessities. International organizations often use food consumption expenditures as a measure of consumer well being.

What Marketers Need To Know: Income and Spending Habits (2 of 3)

Given this connection, Canadians fare among the best in the world. In less developed countries, such as the Sudan, India, and the Philippines, at-home food expenditures often account for more than 50 percent of a household's budget. Food expenditures of 40 percent are not unusual for Central and South American nations. Why do Canadians enjoy such a comparative advantage? It is mostly because Canadians have larger incomes.

What Marketers Need To Know: Income and Spending Habits (3 of 3)

In the developed world where incomes are higher, people spend a smaller portion of their expenditures for food than consumers in less developed countries. Other factors besides income influence food expenditures in developed nations. The kind and variety of foods available within a country's boundaries affect food spending since imported foodstuffs can be costly. A country's food marketing and distribution system can also affect food costs.