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# Supplying to an international market: the top 5 essential considerations

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*SMEs are increasingly setting their sights on delivering products and services beyond the domestic market, but with these global ambitions come a whole host of challenges – from extending customer reach, to adding steps to the supply chain process.*

Offering a national delivery service is one thing, but when it comes to fulfilling orders in international markets such as Asia, an extra element of careful planning is required to ensure it’s done successfully.

In order to develop an effective supply chain strategy, businesses could consider narrowing their target audience and regions, employing trusted experts on the ground, and even marketing their goods differently.

Ben Franzi, Australia Post General Manager Global eCommerce Platforms and Marketplaces, and Philip Boston, business development consultant for organic skincare brand Botani, share their top five essential considerations when supplying to an international market, particularly Asia.

## 1. Products and services should resonate with international consumers

“The Chinese see Australia as a very healthy place to live,” Franzi explains. “Cosmetics and beauty products, speciality foods and products made specifically for babies and children resonate well.”

An SME that is [ready to succeed in an international market](#) knows that appealing to local consumers is key. Therefore business owners need to think about which regions they approach – there will be different ethnic backgrounds and product biases.

“You can’t look at China as one big Australia. There are cities in China bigger than the whole population of Australia, so you have to think about your target market rather than taking a big, broad approach.”

## 2. Reaching the international market requires a clearly defined strategy

With a population of more than 1.3 billion, China represents one of the biggest and fastest growing markets in the world for Australian businesses. So when [looking to crack the Chinese market](#), it’s important to develop a strategy for incrementally investing in this foreign market and to choose inexpensive options to build a customer base.

“You might dip your toe in the water using Tmall.com (Australia Post’s international marketplace, via Alibaba) to help you get some volume. Then, as you mature and get more volume, you’ll want to start building your own presence and thinking about whether you want to use a commercial supply chain,” says Franzi.

## 3. Gain traction in target regions through marketplaces

“Two-thirds of the world’s population sits in Asia but they’ve not got huge penetration rates online at the moment,” says Franzi. “Australia has 24 million people and about 94 per cent of us are online but in China, this sits at 44 per cent and in Indonesia, 20 per cent. There’s a huge growth wave coming, simply as more people throughout the Asia-Pacific region get online.”

China is dominated by eCommerce site Alibaba, so utilising Tmall.com (on their platform) enables Australian SMEs to sell to Chinese consumers with ease.

“Australia Post’s Tmall platform makes it as simple and cost effective as possible for SMEs to sell their products into China as well as providing a range of additional useful business functions via the platform such as currency conversion, language translation and shipping arrangements.”

## 4. A social media strategy drives consumers online

Once an SME is online and selling to Asia, creating and nurturing a strong [presence across a number of relevant social networks can increase awareness](#), enhance engagement and increase sales.

“We’re across Facebook, Instagram and Pinterest,” says Phillip Boston. “If you’re not in social media, you’re losing sales.

“You also need a WeChat or Weibo strategy if you’re targeting Chinese consumers,” explains Franzi. “You should think about how you’re going to use those platforms as part of your marketing strategy, because there’s a lot more friend-to-friend and peer-to-peer recommendations in China, and these social media sites can really drive your sales.”

## 5. Focus on logistics and planning at every stage

Not all markets operate the same way, so while a SME might have a handle on the domestic scene, delivering internationally can require different strategies and processes. For example, timelines can vary considerably.

“You have to register every product, and the ingredients have to meet the criteria of what can be imported into the country. The registration process is quite involved and, in China, has taken over 12 months,” says Boston. “But the same process in Korea took just a matter of weeks. They’re all so different.”

“Selling via a marketplace such as Tmall can significantly reduce the time it would normally take an Australian SME to penetrate the Chinese market, without having to go through a complicated product registration process,” says Franzi.

Treading carefully can also benefit an SME looking to expand – running small trials in a target market as opposed to taking on a large-scale investment from the outset can reduce the risk of failure.

Supply chains are complex and it’s vital to find the right approach to fulfil your customers’ needs. This requires significant research, such as attending events and conferences to speak with experts in the international space without committing to a cost.

And, as good customer service experiences drive sales, anyone handling questions and complaints must speak the language of the country the SME is servicing and be knowledgeable about the products.

*Australia Post and StarTrack are experts in supply chain management and end-to-end eCommerce solutions. For more information on how to build effective behind the scenes operations for your eCommerce service, visit [startrack.com.au/advantage](#).*

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