

Entering a new market often requires a significant investment. You wouldn't put your own money into an investment fund without investigating the other investors, the use of your money, and commitments to returns - market expansion requires the same forethought.

If you are not the true decision-maker but believe your company needs to expand geographically, a research strategy will help persuade those who are in charge of finances. Start by investigating anecdotal evidence with your contacts in that market. Then, read several recent market reports to draw parallels with your company's current position and abilities. Identify challenges and information that only a market research firm can obtain, and lastly, present this initial strategy brief to your superiors.

### **When should companies develop their market expansion strategy?**

Choosing the right time to expand a business into a new market hinges on your reasons for doing so. Primarily, a business will look to take on the burden of setting up shop in a new market because it sees an opportunity to open a sales channel in the country. If your organization is weighing the benefits of developing a market expansion strategy, there are a few key questions to ask before diving in:

- Is your company's competition present in the market?  
This influences urgency and can also inform whether that particular market would benefit from your product.
- Is there sufficient demand in your local market to absorb more growth?  
Local demand might be plenty for you to merit spending more in-country than globally.
- What do you hope to achieve through new market entry?  
A market expansion strategy should be tailored to garnering new clients, if that is your expectation, or creating demand if the public is not aware of a need for your product. Each strategy benefits from different timings for true entry.

Once you have the green light to develop a detailed, thoughtful market expansion strategy, imbue each stage of the plan with five best practices:

## 1. Introduce your product to a new market.

Entering a new market with employees who plan to expatriate kicks off multiple legal and visa processes, so few agile startups or cash-tight enterprises choose this route. Hiring locally is a [major success factor](#), so savvy leaders typically take this route to market entry.

Before you hire and establish a local salesforce in a new country, you must set up your own subsidiary. This can be a complicated and time-consuming process, especially if it's your first venture into the territory. One useful workaround is to “try before you buy.” In other words, it's better to test the market before investing time, money, and internal bandwidth to set up your own entity.

This is where a global Employer of Record (EOR) can help. An EOR takes on the risk and administrative burden of taking your organization global from a back office and human resources standpoint. This allows you to test markets — multiple at a time, if you like — with in-country hires to push your product. Another benefit of moving forward in this way is that winddown costs are much lower in the case of a failed market entry.

## 2. Expand into new channels and engage new audiences.

Post-market entry, you might discover that your saleable audience is larger than expected. This is an opportunity to engage new audiences. Similarly, you might discover demand for an extension or complementary product that your company can also cater to. This is the best-case scenario of market expansion.

If you identify a different buyer persona that is keen on your product, it can be wise to hire someone they might identify with. While diversity is desirable for your company, customers embrace familiarity, so a customer service person they like and feel comfortable with can boost client retention.

[If you identify a different buyer persona that is keen on your product, it can be wise to hire someone they might identify with. Click To Tweet](#)

### 3. Take care of your international team - they'll take care of your company.

Your short-term success can be influenced with a well-trained and motivated workforce. Before expanding your strategy to consider ROI-boosting initiatives, make sure your people are well looked after. They are your brand ambassadors in the new market.

The model agreements that you use across your local workforce might not suit your global workforce. In fact, depending on the country, the benefit expectations of your global employees alone will be very different from your U.S. team.

Can you provide healthcare benefits? Are healthcare benefits even an expectation? What is the mandatory parental leave in the country of hire? And what other benefits would make employees loyal and committed to your mission? Sometimes, benefits are more important than salary. Flexible hours, the option of remote work, health insurance, daycare, wellness programs, time off, and team perks enhance the [employee experience](#).

Once you're sure that your talent retention strategy is firm, you can shift your market expansion strategy to ROI-generating plans like setting stretch goals for the sales team, contracting new tools that will help your salespeople with prospecting, or even automating some of the business development tasks that feed leads to your sales team.

At this stage, it is highly recommended to implement an email marketing plan, as 48 percent of marketers see [email marketing as the most effective online strategy](#) for generating leads. This is something you can set up remotely with support from local teams, which means you might be able to tap into lower-cost jurisdictions for a local marketing expert and copywriters.



#### 4. Grow your brand.

It probably goes without saying that you should understand your chosen country or countries' culture in order to grow your brand. What may be okay in the U.S. could be totally unacceptable in Asia, Europe, or the Middle East. You don't want your business to suffer because you failed to understand the local customs, culture, and etiquette.

Tapping into a culture and truly understanding what motivates people in different regions can dramatically and positively impact your brand. If you are sending expats to work abroad, make sure you engage them in cultural awareness training. If you hire locally, set up feedback channels that will facilitate information sharing from the in-country expert to your HQ.

Before feeding this knowledge into brand awareness campaigns, spend some time [building your customer service quality](#). Your brand's success, especially in the early stages, depends on how you treat customers.

If you've ever had a bad customer service experience, you'll understand why this is crucial to

growing your brand and your overall market expansion strategy. Demonstrate from the highest levels of leadership that you're willing to listen, answer questions, and resolve complaints.

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## **5. Acquire or partner with companies that complement your brand.**

We've established how important local knowledge can be, and this applies to vendors and partners, too. Depending on the market, sourcing locally can be cheaper and is generally more eco-friendly. By partnering with companies in the vicinity of your audience, you gain [greater control of the supply chain](#). This can mean those upcoming product launches you have slated for next year could be pulled forward, and you can more rapidly ship these new products to the local market.

If you have the purchasing power, acquiring local vendors to complete your supply chain might be a sensible step. This can be a medium- to long-term step in your market expansion strategy. You might also decide to establish firm partnerships with companies that complement your brand, to avoid the competition tapping into your supply chain and the demand that you so painstakingly generated.

Busy leaders embarking on a new market expansion strategy might also want to hand over some of the paperwork and time commitment involved in going global. Teaming up with an [Employer of Record](#) will allow your HR teams, finance experts, and even department leaders to offload tasks like learning new regulations in your target market, understanding and complying with local labor law, foreign exchange and international payment management, and the day-to-day administration of monitoring employee hours and expenses.

When you take the step to expand to new markets, contact experts in global employment. Partner with [Globalization Partners](#) to ensure you can enter, withdraw from, and grow in any country you set your sights on.