

The Global Product Launch

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At Apple and some development companies, successful international product launches have always been a critical element in getting market acceptance for products from the start. Many U. S.-based high technology companies, including Apple, obtain 40 percent or more of their revenues internationally. Although a perfect model for a global product launch does not exist due to numerous variables, the most successful efforts share certain traits that can be used as a working model.

A helpful analogy for such a model is the concept of the “rugby” approach to product development, as described in an article by Hirotaka Takeuchi and Ikujiro Nonaka in the January/February 1986 issue of *Harvard Business Review*. Although the model was specifically applied to the development of a product, the basic idea can also be applied to the global product launch. Depending on a developer’s resources and size, it will require some modification—but it is a good starting point.

In the article, Takeuchi and Nonaka outlined the superiority of a rugby approach versus a “relay race” approach: “The traditional sequential or ‘relay race’ approach...may conflict with the goals of maximum speed and flexibility. Instead, a holistic or ‘rugby’ approach in which a team tries to go the distance as a unit, passing the ball back and forth, may better serve today’s competitive requirements. Under the rugby approach, the product development process emerges from the constant interaction of a hand-picked, multidisciplinary team whose members work together from start to finish.” 2

When you apply this model to the global launch of a product, international considerations become well- integrated at the early stages of the planning process, because the process is begun with an international team. It is important to point out that this model assumes that a new product will be available in the key geographic markets within 60 to 90 days of domestic availability, therefore making a simultaneous product announcement a credible proposition. xoxo creating a rugby team

The relay race approach to global product launches is reflected in structures in which a corporate team takes responsibility for the launch activity and passes duties to field operations, which include local subsidiaries and distributors/republishers. This is typically done with little or no advance involvement from the international people closest to the local markets. International considerations become an accessory to corporate strategies, instead of a well-integrated part of such strategies.

The relay race approach results in lost sales opportunities, particularly for U.S.-based companies, because it does not take into consideration that news of the product from the U.S. quickly “spills” into other countries via news wires, international editions, foreign affiliates, and U.S.-based foreign correspondents. These articles carry U.S.-centered messages, product positioning and marketing strategies (including pricing information) which add little to local marketing efforts beyond the creation of short-term awareness.

Global product introductions made by Apple and some developers closely mirror the rugby approach. The effort begins with an *international* product launch team which “moves down the field,” reporting back to the corporate or central group at different junctures to ensure that international needs are well-integrated into the process.

A typical international product launch team consists of a central, core group, which includes product, marketing, manufacturing, sales, service, engineering and communication representatives/functions, as well as a communication manager from each of the targeted geographic regions. These individuals often reside in the United States. In small organizations, such as with smaller developers, an international communication manager replaces the regional representatives in the group.

In many cases, the team members do not reside in the developer’s home country. If they are geographically dispersed, much of the conversation will take place in conference calls, supplemented with quarterly meetings. Ongoing communication with all members of the team is critical.

Each member of the core team is responsible for insuring that the counterparts in other countries are represented in the decision-making process and are kept abreast of developments. This team should be formed 9 to 12 months before the product announcement date, to allow proper time for planning and implementation.

In the rugby approach, international communication managers are part of the decision-making process and ensure that all marketing efforts address key international needs and opportunities. It's important that the international members of the team be knowledgeable about their respective regions, because much of the decision-making occurs during team meetings.

Companies often make the mistake of assigning an international project coordinator to play a similar role on the team. Although such an individual may do a good job of dispersing team information to the field, if that person is not senior enough to make an impact on the decision-making process, he/she will not be able to adequately represent the field during decision-making.

GLOBAL BALANCING: PLANNING FOR “SPILLOVER”

Once the entire team is in place, the communication function focuses on formulating the right messages and communicating them to key internal and external audiences. The rugby approach employs “global balancing” techniques, which address the fact that information is transmitted abroad almost simultaneously.

Global balancing is based on the principle that a company can influence the spillover of media across foreign borders by working with the source of the information, i.e. local correspondents for foreign publications, to communicate messages that benefit both the other international markets that are receiving the information as well as the domestic market. Global balancing includes the following steps:

- 2 Identifying and assessing the perceptions of opinion leaders who have an impact on sales in target geographic markets;
- 2 Internationalizing product introduction materials, including press releases, company backgrounders and executive speeches;
- 2 Formulating an international plan for educating opinion leaders in target geographic markets, including local correspondents for foreign publications;

2 Strengthening and educating the local infrastructures (media, distributors, government representatives, customers, trade officials, channels, market research consultants, and financial analysts) of all target geographic markets in order to reduce their dependency on news and information generated by the home country;

2 Underscoring the international success of the product within both the infrastructure in the home market and the target countries to validate that the product has been accepted throughout the global marketplace; and

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Evaluating and monitoring ongoing perceptions to proactively identify issues and opportunities.xoxoTaking the Temperature of Target Markets

In the relay race approach, once the product introduction team has been put in place, the main thrust is to get the product out the door, with little time spent on assessing the current environment for the product in the key geographic markets. Market intelligence is a mere afterthought.

In the rugby approach, the team identifies what it does and doesn't know about its target markets. Where information does not exist, it's important to conduct a qualitative assessment of the current perceptions relating to the product and company. This information is used to validate or modify product positioning and to formulate key marketing messages.

At Regis McKenna Inc., the temperature of each of the target countries is gauged through an international audit of key opinion leaders. This audit is known as a "global thermometer check." This activity relies on the 90-10 rule, which states that because 90 percent of any population is influenced by the other 10 percent key opinion leaders, it's important to understand who these opinion leaders are and how they perceive a company, its products, and its competition.

The goal of the global thermometer check is to identify the key opinion leaders who will have an impact on the product's success and to assess their current perceptions. Although the scope of such a study can vary according to the availability of company resources, the

methodology remains the same. A typical global thermometer check consists of these elements:

- 2 The study is closely coordinated with the launch team and local management within the target countries to address corporate and local objectives.
- 2 The study targets the countries that are strategically important to the developer. This usually takes anywhere from two to six countries (the more the better) into consideration, as well as the home market (if the information is not already available).
- 2 A questionnaire is developed, usually with 10 to 20 key questions relating to technology, product, company reputation, distribution, pricing and other marketing issues.
- 2 Approximately 10 to 20 key opinion leaders in each country are selected to participate in the study. Depending on the country, these individuals will represent the key infrastructure segments mentioned earlier.
- 2 Depending on the confidentiality of the information, the discussions are conducted in one-on-one meetings or by telephone under non-disclosure, until the public release of the information.
- 2 Hardware and software companies often look to outside consulting firms to conduct the study, because the participants are then more likely to volunteer candid opinions. In sensitive situations, the company's name may not even be mentioned. This is usually the case when a developer wants to assess current perceptions regarding a new technology, but does not want to divulge the company name for competitive reasons.

The information is analyzed and presented to the product introduction team and other internal departments as an important tool in validating and formulating product introduction messages, both in a general sense and on a market-specific basis. All of the corporate messages should address the international marketplace, not just domestic opportunities.

INTERNATIONALIZATION VS. LOCALIZATION

Once the messages have been formulated, it is important that they are properly communicated, both internally and externally. In the relay race approach, product introduction materials, including press releases, corporate backgrounders, executive speeches, collateral, advertising, sales and training materials, typically address the local marketplace only. The rugby approach recognizes that the content of these materials will eventually be communicated in many parts of the world. Therefore, all of the materials are “internationalized.”

This means that key international messages — along with certain clauses, country examples, case studies and other international information — are incorporated into all documents as appropriate, ensuring that news about the product is received in each country within a strong framework that local operations can build on.

Internationalizing should not be confused with the localizing of press materials and other related documents. The latter deals more with customizing a document for a specific country, i.e., language translation, which is usually handled by the in-country communication managers. Here are several examples of how to internationalize launch materials:

- 2 Add to the lead paragraph of a press release or executive speech the fact that the product will be rolled out worldwide or that it will be available in the listed geographic markets. This helps reinforce that the company is an international player.
- 2 Incorporate messages and examples that underscore the company’s international experience or leadership, including international market share, country-specific successes, or large installations.
- 2 Use quotes or testimonials to reinforce the international opportunities for the new product.
- 2 Add clauses that clarify when important marketing strategies differ from the domestic market, including distribution, product positioning, and pricing strategies.

2 Use analogies and examples that will be understood by an international audience. For example, companies often compare products and technologies with items that are not as common in other markets, such as microwaves and dishwashers. It's important to look for more universal comparisons. In addition, when quantifying a statement in, say, U.S. dollars, remember to clarify in a footnote that the numbers are expressed in U.S. dollars.

2 Include information about the company's international operations in the corporate background. You can include such things as product availability, local pricing, whom to contact in each market area, who the local distributors and/or dealers are, and so forth.

Internationalizing communication and marketing materials allows a company to set itself apart from the competition, while also paving the way for the new products in key geographic markets. In-country communication managers will still need to localize materials to meet local objectives, but those messages will then be supported by a broader corporate platform.

A WELL-COORDINATED PLAN

An effective product launch requires an understanding of how information flows in and out of targeted geographic markets. For example, an estimated 95 percent of the news that appears in Singapore trade publications is sourced from four U.S. publications, according to Singapore editors.

Knowing this, the corporate or international communication manager would then make sure to include these four publications in the U.S. launch efforts, and should think twice about the kind of messages the company spokesperson delivers to those publications.

In the rugby approach, efforts to influence media coverage should begin at least four to five months prior to the announcement, as many of the monthly publications need information three months prior to the introduction. Efforts should be coordinated with your company's or distributor's local PR manager in the country. Also, whenever possible coordinate those efforts with the Apple third-party and public relations representatives in that country, to leverage those valuable resources.

Here are several ways that international or corporate communication managers can influence the “spillover” of U.S. media coverage:

2 Work with the communication manager in each target market to identify the two or three key publications; then determine how each generally receives information. For example, many U.S. trade publications have licensing agreements with journals outside the U.S. that often reprint their articles.

Many foreign publications subscribe to U.S.-based wire services or have their own correspondents in New York or Silicon Valley. There are more than 1,000 correspondents in the United States who write for foreign publications, including about 50 key technology correspondents.

2 Contact the identified locally-based sources to encourage their participation in the local product introduction activity (if they are not already involved), and inquire about the international distribution of their articles. Read their publications to see whom they quote and make sure these individuals are briefed as part of the launch activity. (The people who are quoted are usually the opinion leaders, who were identified earlier.)

2 With the communication managers in each of the target countries, discuss the key international messages they feel are important to communicate to U.S.-based sources.

Although most U.S.-based correspondents feel their charter is to cover U.S. events, they often can be convinced to include a sentence or paragraph noting the differences in product positioning, pricing, distribution and availability between key geographic markets. If the journalist is writing for a regional or national publication, such as *Asia Computer Weekly* or the *Japan Economic Journal*, they can provide more country-specific information.

2 Closely coordinate all communication efforts with a country’s local communication managers to insure the team is working in rugby style. This is especially important when dealing with U.S.-based correspondents.

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Several months prior to the public announcement, the entire international

communication team should agree on how to approach the top tier of publications in their respective markets; the home country communication manager is responsible for local international influencers. xoxoOptimizing Local

COMMUNICATION EFFORTS

In addition to influencing the U.S. media spillover, it is equally important to begin strengthening and educating the entire infrastructure of target countries prior to the formal product announcement. This is done to minimize the dependency of those infrastructures on U.S. information. For example, you can use international versions of *Macworld* magazine and other similar publications which are distributed worldwide in various languages. The U. S. offices of those publications often have a directory of worldwide offices to contact for more information and other resources that can be helpful. In any case, the critical issue is timing.

Although the idea of educating key opinion leaders in the U.S. is commonly practiced, few U.S. companies have approached their international markets with the same thinking. Although the infrastructure varies from country to country, it plays a significant role in the success of a product in a given marketplace.

Chairman and chief executive officer of Regis McKenna, Inc., has often stated, “A company can never promote its way into a technical market. The infrastructure has to be a participant. If they accept you, then, and only then, can a company be successful.”

Often, the smaller the market the greater the influence of infrastructure members.

REINFORCING MARKET ACCEPTANCE

Once a product has been introduced worldwide, it is important to play back international successes to the home market. The relay race approach tends to showcase local acceptance when, in fact, key international markets may have embraced the technology first. By taking the rugby approach and leveraging the international successes simultaneously or in the early stages of the rollout, the company benefits by enhancing its competitive posture.

News of international successes will eventually spill back into the international marketplace, enhancing the overall success of the product. As part of this effort, many companies create centralized databases that store international success stories and customer testimonials. This information is used internally by many departments, including each country's communication managers, who use it in their own local public relations efforts. Again, international awareness needs to be boosted on both sides of the ocean in the early stages of the rollout.

xoxoConclusion

It is often said that effective communication with a company's target marketplaces begins with effective internal communication. Nowhere is this more true than in global launches of technology products. The diversity of market environments, customer attitudes, and local business practices demands that companies not only disseminate information to many countries, but also gather information from those countries first. □

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