

Hospitality Interiors

INTERIOR DESIGN FOR HOTELS, RESTAURANTS, BARS & CLUBS

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The concluding article in the Building a brand series from the BCFA explores the facets which make a company's brand expansion abroad successful. It examines how some of the BCFA's member brands operate effectively in different countries and explore how and where to acquire funding and expertise.

BROADENING A BRAND



Forest Contract is looking to expand into the Middle East this year

Broadening a brand or brand extension is an exciting and challenging process. Of course, brand extension is not a new concept, but these days with the world shrinking it is easier to make a commercial case for working within new markets. There is obviously a skill and discipline needed in exporting to and trading in different countries and there are many reasons why even the most trusted brand names in one country can fail in others.

From implementing an expansion strategy to customer aftercare, understanding your market and ensuring you undertake extensive research is the foundation upon which to base your decisions. There are the obvious things to look for, such as competition and language barriers, but different cultural norms also need to be examined meticulously.

UK-based Forest Contract, a commercial furniture manufacturer, is looking to expand in the Middle East this year and commented: "One of the biggest problems we foresee is the language barrier and difference in attitudes towards hospitality experience and expectations."

This idea of attitudes and expectations was

further expanded by the Newmor Group, a leading manufacturer and supplier of interior products, which found that adapting and being aware of differing trends and cultures has been essential in their export business – Moray Foster says: "We have found that whilst maintaining our core ideologies we must also be flexible enough to work with local idiosyncrasies when possible. Similarly, local trends and fashions can be challenging when developing a new wallcovering range and colour palette, regional differences can vary significantly."

Andrew Linwood of Areen said that before they began exporting, they undertook research: "Only an informal basis, using my own experience and that of my colleagues when working for previous employers."

Andrew also suggests that there were definitely differences in expectations in the countries they targeted: "Interior design services in developing markets don't need to be so detailed and sophisticated as for Western markets. This has helped us to operate more efficiently thereby lowering our fees."

The internet has done so much in allowing access to a global marketplace, but filtering through the vast volumes of information to decipher what's relevant is a huge task. British Contract Furnishing Association (BCFA) member Northern Lights have had huge success within the Middle East and credit some of this to the preparation and research they undertook before even setting foot in their countries of interest.

Speaking of their experience Judy Zhou explained that their initial market research was designed to establish customer requirements, as well as the competitive landscape in the Middle East. They utilised their UK sales force to conduct internet research on other major projects within the Middle East region which led to them being introduced to a local agent.

"Once you've exhausted your research, it's important to visit the countries in which you're looking to start trading. It may seem like an obvious point to make, but it can be very easy to get sucked in to lucrative offers from local experts who may bring opportunities to your attention that need to be acted on quickly – before you've

even had chance to set foot on foreign soil. Andrew Linwood was able to make use of local talent: "In the targeted regions we negotiated mutually beneficial agreements with established local designers to represent us," he says.

Northern Lights Director John Fleming followed up his workforce's extensive online research with an exploratory visit, which allowed him to extend his understanding of the scale and style of products required. Speaking on the importance of market research, Alistair Gough of Ocee Design explains: "It is vital that the demands of each market are clearly understood, and products are adapted and fine-tuned to ensure they are relevant."

Where do you go for help?

There is no one-size-fits-all strategy or business plan template when expanding overseas. That being said, we've all heard the old proverb: don't reinvent the wheel, and this rings truer than ever here. While you may be charting new territories with your own business, many others have done it all before, so make use of all of the expertise, resources and guidance available to you.

There are lots of resources available to support businesses that are just commencing their exporting journey and it is always a good idea to make the most of these. The BCFA offers support to all of its members and there are government departments keen to help incentivise exports.

Speaking of his experience of accessing such information, Dan Smith of Forest Contract explains that he turned to the government for extra direction: "In addition to the BCFA, we have taken advice and guidance from UK Trade & Investment (UKTI) which offers a range of expert



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Moray Foster, Newmor Group

advice on trading internationally, as well as a passport to export training programme, which supports SMEs and first-time exporters. We currently have team members in the application process for these programmes, to help develop our overseas markets."

Newmor, which has enjoyed resounding success in their expansion efforts to date, also made use of the BCFA and UKTI, as well as Business Wales' International Trade Development Programme (ITD). Moray Foster explained that all three have enabled the company to fast track entry into markets which might otherwise have proved extremely challenging.

Larger organisations are able to offer a wealth

of advice, guidance and case studies on taking your business from a local to global standpoint and many have found that tapping into this presents a fantastic opportunity to reconnect with other business owners you've previously networked with. During their initial research, Northern Lights re-engaged with third parties who either had similar experience or professional expertise in legal or financial areas.

Andrew Linwood suggests that attending conferences and networking in the areas they wished to operate really helped: "We worked hard to develop contacts with the large international hotel operators e.g. Starwood, Marriott, Hilton, IHG."



The Newmor stand in Shanghai

Who?

Spotting, nurturing and expanding talent within your own workforce can be an invaluable task to undertake when looking to broaden your brand. Once you have decided it's the right time to expand your business and take it overseas, be it inside or outside of the EU, one of the key things to consider is whether or not you have the expertise within your current teams to manage this change effectively.

It's a good idea to research whether your customers will respond better to a local representative, or whether exporting from the UK is a better option.

Northern Lights, for example, chose not to relocate staff from the UK overseas when they expanded into the Middle East: "We did not transport any permanent staff from the UK to the new market. However we have established a very good working relationship with our local agent through providing prompt design proposals and quotations. This helps us a great deal in understanding the local demands."

It is the research and the building of these key relationships which have been key to Northern Lights' growing success in securing a number of high profile projects.

Newmor chose an approach which allowed them to utilise both their existing UK staff and recruit new staff within the countries they trade in. Speaking of their experience, Moray Foster explains: "In key markets, we have established international offices as they can best service the local market, but this requires a significant investment. So we also distribute through a network of agents, we currently reach around 60 countries with plans for further expansion. In all cases, the teams visit our UK headquarters on a regular basis." This integrated workforce approach allows Newmor to have close working relationships throughout all of their offices.

Andrew Linwood is a firm believer in the personal touch when it comes to servicing local markets: "I personally made – and continue to make – many visits to our target markets to personally meet potential clients and develop a network of related consultants to generate market



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intelligence and help source opportunities."

It is worth considering that investing in your existing workforce can save costs down the line. Northern Lights have gone to great lengths to ensure that their entire workforce has an understanding of the new market and what will be expected of them as a result of the changes in their organisation.

They've achieved this by putting together a training programme focusing on export procedure and documentation for the export manager, as well as sending their designers to various regions to examine the different artwork trends. While this may be a significant upfront investment, it is one that should eventually pay off, as staff will be better equipped to deal with the new dimensions and challenges to their roles that may not have previously existed.

While there remains a science to brand expansion, the results can never be guaranteed.

As with all scientific projects, investing early on in your initial research will provide the best possible outcome. More often than not, the knowledge that you gain from these in-depth research methods, allows you to forecast far more accurately for the long term.

Don't get too caught up with the differences you discover in those new markets; every product or service is responding to a want or need which is global not country specific. So, while cultural differences are essential to understand, when it comes to planning your brand positioning, these shouldn't override the brand's core values.

Remember to take your time, research the market, listen to advice, find the best people to carry out the task and, whilst being sensitive to local culture, stay true to your brand's message, no matter where or how that message is delivered.
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