How Marketing Agencies Can Successfully Enter New Markets

Opinions expressed by Entrepreneur contributors are their own.

For many marketing agencies, building a brand that is recognized across the globe for delivering world-class campaigns is considered the pinnacle of success. In the past, expanding beyond regional territories was something that only the major agencies could achieve. Today, advances in technology are breaking down geographical barriers, enabling small and medium-sized firms to reach new international markets with relative ease.

As a marketing entrepreneur, it’s likely that you have big ambitions for your agency. Globally, the marketing industry is valued at over $1.5 trillion. Expanding into new international markets is the perfect way to capture additional market share, increase revenue, diversify your client base and enhance the image of your brand. However, agency owners need to consider some of the complexities that come with the exciting opportunity of global expansion.

Trust me, I know. I started an international agency in 1999, out of Dubai, working on projects from Sudan to Pakistan. In time, that grew into a truly global agency with partners around the world and project activations on multiple continents every day.

Related: 5 Simple Ways Small and Medium-Sized Businesses Can Successfully Enter a New Global Market

1. Market entrance strategy

Expanding your marketing agency into new international markets isn’t something that you can do haphazardly. Having the right strategy for entering the market may determine your long-term success. It’s critical to first understand the size of the market, local consumer needs and competition through comprehensive research. A great alternative to doing a full launch is to start with a small-scale pilot. This allows you to proceed cautiously and make adjustments along the way. This can help minimize costly mistakes and facilitate a smoother entry into the market.

2. Cultural adaptation

One of the most challenging hurdles of expanding a marketing agency across geographic boundaries is the variation in culture. While you might be extremely familiar with the cultural norms on your home turf, this doesn’t guarantee success in a new region or market. What works in one market might not work in another due to differences in values, customs and communication styles.

It’s important to thoroughly research the new target culture to understand local traditions and consumer behavior. It may be necessary to hire a local marketing expert to help provide feedback on campaigns to ensure you don’t create messaging that won’t resonate with the audience. It’s equally important to ensure that you don’t accidentally create a campaign that is unintentionally offensive, which can happen easily because of language barriers or the deep cultural meaning of certain words, numbers, ideas or symbols.

3. Regulatory compliance

Each country has its own laws and regulations regarding advertising, data privacy and consumer protection. Failure to

comply with these laws can result in fines, legal disputes, reputational damage or losing access to that market entirely. Working with a local legal expert can help you navigate these challenges and ensure that your firm is compliant with all relevant laws and regulations.

Naturally, these regulations will change over time, so it's important to have a process in place to regularly evaluate your compliance. Tracking these changes can become a very cumbersome effort if you are spread across a large number of varying jurisdictions.

Related: Top 5 HR Challenges You Must Overcome When Expanding Globally

4. Financial management

Expanding your marketing agency can require significant initial investment as you set up operations, apply for the necessary licenses and permits, and hire the right talent to support the business. It's highly recommended that you establish a financial contingency plan to help tackle any unexpected expenses that could derail your expansion plans.

In addition, fluctuations in currency can have a significant impact on your profitability, making revenue projections difficult. You can work with a finance expert who has experience in international business to help create a solid financial plan and implement safeguards to help hedge against currency fluctuations.

5. Talent management

Leveraging local talent is a great way to mitigate many of the potential cultural challenges that exist when working in new international markets. For example, a local manager may be able to better navigate conversations with potential clients

or negotiate better with local vendors due to cultural norms and differences.

The challenge is that managing these resources can be quite difficult. Not only will they have unique cultural expectations of an employer, but they may also be subject to different employment laws and regulations. In addition, you'll need to navigate the best way to integrate these new team members into your existing work culture.

6. Technology adaptation

While technology is breaking down barriers and becoming more universal, infrastructure and operational needs may still vary between countries and geographic regions. Some countries may require you to have special data security practices in place to protect your consumers. These requirements can be costly, so it's important to evaluate the financial and operational implications of achieving compliance. In some cases, you may be able to bring your entire organization's processes up to par with the most stringent requirements.

7. Brand consistency

Operating your organization in a tight geographic area makes it easy to control the look and feel of your brand. When accessing new markets, language and cultural differences can affect the consistency of your brand, especially if you have to make minor adjustments to adapt to the local culture. To navigate this, agency owners can centralize ownership of their brand elements with one individual or a small group to ensure consistency. This team will need to work closely with their local counterparts or advisors to ensure anything they design will be appropriate for the local audience.

Related: Is Your Business Ready for International Expansion? Here's What You Need to Know.

It’s important for marketing agencies to consider the option of expanding internationally, especially as markets become more globalized. While entering a new international market can be scary, it’s an exciting endeavor that can provide many benefits to the agency. This move requires careful planning and a deep understanding of the local landscape. The good news is that you don’t have to do this alone. Having a business coach with international experience is a great asset to help support you in navigating challenges and identifying any potential roadblocks. With their help, you can achieve a successful expansion into your first international market.

https://www.entrepreneur.com/growing-a-business/how-marketing-agencies-can-successfully-enter-new-markets/475054