

# The shortlist

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The shortlist.com is a theoretical company that services businesses and provides recommendations as well as managerial services. The shortlist.com is contemplating going global, and the following paper will explore the threats and opportunities of engaging in such a venture. Many of the aspects of international marketing are reviewed and recommendations on how to proceed are offered. International marketing has a twisted path to success, but having an outline and a plan can alleviate some of the more treacherous turns and smooth some of the more rugged passages.



## 1.1 Introduction

In this report we will address the marketing strategies and concerns of The shortlist.com.

Among the issues to be addressed:

Marketing strategies, product positioning, outsourcing, target marketing, distribution and viable market analysis, service expansion, pricing, advertising, cultural considerations, predictable and

unpredictable considerations, and legal issues. Some of the issues addressed are overlapping; due to overlapping, certain issues will be addressed in separate sections and then more specific examination and content will be in following sections. The interconnectedness of marketing and the relationships of various aspects are exhibited, and specialized sections break down the issues that intermix for closer examination.

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## 1.2 Initial Marketing Strategy for The shortlist.com

In order to direct customers to the website, we would apply Twitter. The goal would be

to attract businesses and business decision makers to visit our website and make contact with Theshortlist.com. Establishing Theshortlist.com on social media would be an initial step, along with a website, to getting a foothold on the market. The mission of Theshortlist.com is to provide a service such as Angieslist.com but the target market would be to businesses and organizations that are making decisions as to what services to use. After the initial market entry other services will be offered, which will be explained further in another section of this report. The rationale here is that many businesses are besieged by offers and firms that do everything from termite control to installing information system networks. Making a decision as to what firm to use for services to an organization can be confusing as well as time consuming; Theshortlist.com is the solution to this problem.

According to the Twitter experts, the tweets must be valuable, professional, clean (not

cluttered or spammed) and followed by the right people (Duffy, 2013). In the case of the right people, we are referring to the decision-makers that comprise our target market. Our market is commercial organizations, but the target within the organizations is the decision-makers who control the financing of the organization and make the critical decisions of what to purchase and from whom.

While Theshortlist.com's strategy is to use Twitter to get attention, Twitter's mission is to direct potential customers to the website and to get them to sign up for

Theshortlist.com's services. Incentives such as offering free service on a first job to test Theshortlist.com's abilities might be in order, or testimonials of existing customers.

As in all startups, establishing a customer base will be top priority in the beginning.

We anticipate as testimonials grow so will the customer base. Each customer base will be established on a regional basis, since the

suppliers that Theshortlist.com will recommend will be primarily regional providers or regional operations of large firms in the business of providing services required by customers. Market segmentation will be addressed later on in this analysis. Certainly, there will be national and international firms that provide service to the businesses that are targeted, and those providers will be courted as well. The point of Theshortlist.com is to find the best providers of services to businesses and list them and because of the regional nature of the listings each provider will be evaluated regionally. The rationale behind the regional evaluation strategy is that some operations of large firms have poor ratings in certain geographic areas due to poor management. Theshortlist.com will not take for granted the quality of services provided just because of a name and reputation; every firm must prove itself independently in the region that it services.

### **1.3 Product Positioning of**

#### **Theshortlist.com**

Theshortlist.com is designed for businesses to access suppliers of essential services that they would need to sustain or expand operations. Theshortlist.com will provide the research and recommend, for a nominal fee, what they consider the best provider of the needed service. The major benefits are that the business signing up will not need to go through time-consuming searches in order to find the best provider of a necessary service; Theshortlist.com will provide that service.

There are no known competitors in the market at this point in time, and thus, there is no product differentiation at this point in time. The benefit of Theshortlist.com is that the targeted purchasing managers and other decision-makers do not have to spend vast amounts of time researching, looking for the best service providers; Theshortlist.com will already have that done for them.

Product positioning will not have much differentiation. Theshortlist.com's customers are commercial organizations that require mostly large-scale projects to sustain and enhance their business operations. There may be some requirements due to geographic necessities, but the mission will not change, only the position of the company in the market. In certain instances, Theshortlist.com might serve as a consultant as to what additions are required. Consulting services will be billed differently than just listing services. The determination of such market positions will be based on their ability to generate revenue (Thomas, 2007).

#### **1.4 Outsourcing**

Theshortlist.com's mission is outsourcing, but not to do harm to the labor force of any country or region. "Outsourcing is an effective cost-saving strategy when used properly. It is sometimes more affordable to purchase a good from companies with comparative advantages than it is to

produce the good internally" (Investopedia, 2015). The nature of Theshortlist.com's service is to have the customer base refer projects to Theshortlist.com and let Theshortlist.com find the solution to the problem by finding the best solution at the lowest cost. Just as Angieslist.com refers customers to professional organizations, so Theshortlist.com does the same for businesses. The nature of services provided to businesses and commercial organizations are different from those provided to individual consumers. For example, installing a network, adding on production space or any other need that a business would have is on a larger scale and thus requires a different criteria.

#### **1.4 Target Market**

The point of marketing is targeting "a product for specific market segments and

product needs at specific prices” (Berry, 2009). As stated, the target market is organizations that require services, from one-time rewiring of networks to ongoing services on a regular basis. While the average consumer has access to these services, it is more difficult to find a firm that can handle the needs of large organizations. The scale of large organizational requirements as opposed to homeowners is the difference between residential and commercial service providers. Most commercial operational decisions are made through purchasing departments and requisition officers, although it depends on the structure of the organization. In some organizations, regular decisions that are up to a certain limit of expenditure are made by department or facility managers. Thus, the target market for Theshortlist.com is the decision makers who are making choices regarding what firms from which to choose to provide

services. Theshortlist.com is just what it says it is; a service that provides the short list, that is, the preferred firms that can perform services that organizations need. Just as Angieslist.com generates revenue, so shall Theshortlist.com, in that is that the users of the list will pay a nominal fee for access to the list of service providers and service providers will pay to have their firms advertise on Theshortlist.com.

### **1.5 Market Segmentation/Departmental**

Theshortlist.com’s first order of market segmentation would be divided into separate departments such as information technology, maintenance, construction, and mechanical upgrades. Each department would have staff that possess expertise and understanding of the various requirements and the differentiation of potential service providers. The departments would evaluate the recommended suppliers and each would have its own lists within the organization. Certain departments might overlap, as in

mechanical upgrades with construction upgrades; those issues would be dealt with on an as-needed basis. The shortened lifespan of information technology systems have created an opportunity for a great deal of turnover business, and it would be that the information technology department would be one of the prime revenue generators (Bilgin, Wuhrer 2014).

### **1.6 Market Segmentation/Geographic**

The value of market segmentation is described by the following: “The concept of market segmentation was developed in economic theory to show how a firm selling a homogeneous product in a market characterized by heterogeneous demand could maximize profits” (Claycamp, Massy, 1968). Further segmentation would arise when the organization would expand into new markets such as South America, Europe, the Middle East and Asia. Expansion would be a graduated process, with divisions that addressed customers in

each geographic area and language, and then departments within each division as demand was warranted. Distribution segmentation would be determined as required by geographic and sociopolitical demands (Thomas, 2007).

### **1.7 Distribution and Assessment of Viable Markets**

Market segmentation will begin with each geographical market being analyzed as to the potential customers and revenue contained therein. Various regions have concentrations of industries and organizations that are potential customers. While areas such as the information technology sector are expanding worldwide and changing rapidly, there are areas such as in Asia where manufacturing comprises a large section of the economy. Similarly, geographic areas such as Bavaria in Germany or Zhejiang Province in China are populated with manufacturers, so concentration of assets to their viable

markets would be in order. The nature of Theshortlist.com's business model is to bring together customers and clients, and supply clients with the best providers of the services that they require. Because of the regional nature of the service Theshortlist.com provides, all of the firms on Theshortlist.com will be firms that can handle the jobs required, without putting too much expense on traveling to the business site in order to perform the service. All markets will be considered with respect to their capacities to generate revenue. There will be a preference, noted in the following section, on regions where there has been regional economic integration. The rationale for the preference for regionally integrated markets is because those markets are more cooperative and business-friendly, with fewer obstacles for cross-border commerce.

### **1.9 Regional Integration and Market Opportunities**

Regional integration due to political and economic movements should prove to be a significant asset to the operations of Theshortlist.com. NAFTA, (North American Free Trade Agreement) EU, (European Union) and SEAN (Southeast Asian Nations) treaties and agreements will enhance transnational cooperation and open markets for Theshortlist.com. According to a working paper by the IMF (International Monetary Fund) regional factors are the driving force of business cycles, and not global factors (Bilgin, Wuhler, 2014). This evidence indicates that certain segments will be more profitable as regional economies expand and contract. The move towards globalization for Theshortlist.com will be to take advantage of business cycles whatever their location. (Bilgin, Wuhler, 2014). This fact will mean that certain segments will be more profitable as regional economies expand and contract. Despite the global economy orientation that is pervasive, recent

research indicates that trends are still regionally oriented as cited in the IMF working paper.

### **1.10 Additional Revenue Generators and Service Expansion**

Additional revenue could come from selling advertising on Theshortlist.com's website, although all advertisers must be approved, since Theshortlist.com's mission is to recommend only the best providers who provide the highest value. Once the market position is established, Theshortlist.com will move into the next phase of operations, and that will be to offer management of such services and projects. When faced with special projects, many organizations reassign talent to temporary assignments because they need something like a network installed, a new facility or the remodeling of an existing facility, to name but a few. As Theshortlist.com moves forward and establishes itself as a significant player in the markets, the plan is to expand into the

management of special projects and services for organizations. Instead of an organization reassigning talent for temporary projects, Theshortlist.com will provide the project managers and ensure that the project goes off without any problems.

### **1.11 Pricing**

Due to market segmentation, Theshortlist.com will have several services, and each priced accordingly. Simple listings of firms that are preferred providers will be a base price. Access to Theshortlist.com's listings will be a nominal fee collected from customers who wish to have access to the database of preferred providers. Advertising, access to the lists of preferred providers, and listing of firms billing would be monthly, with discounts for firms that wish to purchase six months or more in advance.

The next phase would be consulting, with fees determined by the size of the project.

The third phase would be project



management, which would be determined by the size of the project on a percentage basis. Other revenues could be generated by selling advertising on the Theshortlist.com's website, with advertisers carefully screened and only approved advertisers allowed to be listed. Angie's list has been shown to have the lower-rated companies advance in their standing by paying more money, (Trainer, 2013) and this is something that Theshortlist.com will not accept. Integrity is an important aspect to firms that are trusting Theshortlist.com to provide them with the best and most cost effective solutions to their business problems.

### **1.12 Advertising/Promotion**

The application of Twitter to draw interest to the website has been addressed in previous sections. Since Theshortlist.com is a commercial product, advertising would be on commercial venues such as online versions of Forbes, The Wall Street Journal, Businessweek, and websites such as the

Institute for Supply Management.

Theshortlist.com is not targeted or oriented towards consumers, and as such, advertising will be directed and concentrated to commercial business clientele. Since the service is internet-based, hard-copy advertising would be limited but tested as to its impact compared to internet advertising.

Promotions would offer free access for a limited time for clientele to test the efficiency and effectiveness of the service.

For example, one month free service for potential customers to test the service and recognize its value to their firm. Similarly,

Theshortlist.com can offer the companies that provide the services that

Theshortlist.com provides be given free advertising on the website. There are also weekly and monthly prizes, chosen at random or awarded to customers such as the largest project of the month receiving a five percent discount.

### **1.13 Predictable Variables in Expansion**

## Demographics

Demographics aren't going to change drastically overnight with the exception of nations at war, and Theshortlist.com is not entering those markets any time soon. Any population in North America or South America will not expand or contract without warning. This cannot be said for the Middle East, but that is not a market Theshortlist.com will be targeting at any time soon, mostly because of instability along with a lack of agreements like NAFTA and the EU. North America, including Canada and the United States are the starting point for Theshortlist.com. Demographics in North America, most of South America (not including Central America, which is experiencing an exodus) are demographically stable, as are Europe (the EU) and Asia, (SEAN). Theshortlist.com is concerned with demographics with respect to their impact

on the firms that conduct business with Theshortlist.com.

## 1.14 Cultures, Languages and Challenges

Cultures are predictable, in terms of almost all the areas in the market segmentation. The EU, South America, and Asia, specifically the SEAN market are the expansion segments of Theshortlist.com. North and South America have certain protocols that need to be followed, as do Europe and Asia.

In the EU, the British are much like Americans, the Germans tend to look at things analytically, and the French are usually never in a hurry to make their decisions, but once the French make their decision, they rarely, if ever, renege. The language barrier in South America is English to Spanish, and countries like Mexico, has the dialect taught the most in America. South American nations such as Venezuela and Brazil have different dialects that will have to be addressed by assigning employees familiar with the dialects of those

countries. The same language challenge goes with the EU, with French and German being the primary languages of continental Europe, and the Scandinavian countries using some native languages but most are familiar with either French or German.

The EU (European Union) is a protocol that makes doing business across borders in Europe simple and easy. Since the EU has a common currency, the Euro, there are very few banking or payment issues to address. Culturally, Europe is becoming integrated and assimilated as the EU matures and borders fade.

The Asian market is another challenge requiring careful consideration. Breaking into the Chinese market is a challenge unto itself. Contrary to popular wisdom and urban myth, China is by no means a homogeneous country. To reference a white paper on doing business in China:

“Although China is unified in the geo-political sense, socially and economically

the picture is much more disparate and fragmented” (Hedley, 2015). Along with the vastly different Chinese subcultures, there are differing dialects, although the written language remains standard across the country. The first step would be to identify geographical locations within the target market. Specifically, these would be the provinces of Shanghai, Beijing, Guangzhou, Jiangsu, Shenzhen, Zhejiang, and Shandong, which have been placed in order from north to south as to their location in the country of China itself.

The strategy recommended to gain market foothold in China is to establish offices in Tier 2 cities and expand into Tier 1 cities after solidifying our market position. “In particular, cities such as Shenzhen, Tianjin, Wuhan, Chongqing, Chengdu, Nanjing, Qingdao, Dalian, Suzhou and Hangzhou all offer strong commercial opportunities for foreign companies across a range of sectors. Over the long term, including Tier

2 and even Tier 3 cities in their strategy can enable foreign companies to gain first-mover advantage in these cities and lead to greater long-term market success” (Hedley, 2015). Any firm interested in expanding into China should consult the China foreign investment catalog to ensure that they can establish a business there. China’s markets are closely regulated and controlled by the state, and this will not likely change at any time in the near future.

### **1.15 Unpredictable Variables in Expansion**

Economics, politics, and emigration are unpredictable variables that can impact businesses. While there aren’t any valid predictors of these aspects of business, there are indications of changes in these. Most of the EU and SEAN have predictable political elections and even if opposition candidates are elected, drastic changes are not likely to occur, but nonetheless these can be unpredictable. Likewise, severe economic downturns or upswings are not likely to

happen without certain predictors and indicators moving in a similar direction.

Predictors of the markets moving up are the stock market, manufacturing activity, inventory levels, retail sales, building permits, the housing market and new businesses starts. Indicators of the business climate taking a downturn are GDP (Gross Domestic Product) income and wages, the unemployment rate, the consumer price index, (CPI) currency strengths, interest rates, corporate profits, the balance of trade and the value of commodities such as gold to the U.S. dollar (Smith, 2016). Economics, deemed “the dismal science,” and the trends therein are hard to predict. Much like the economy, the potential for competitors to emerge when they see Theshortlist.com succeed is not something that can be predicted, only anticipated and watched out for.

Obviously, the customers of Theshortlist.com need to have internet

access, so establishing a presence in any market is dependent upon internet technology. In Western Europe, North America, much of South America, internet service is not a problem. China, internet in the hinterlands can be a problem, but Theshortlist.com will concentrate on the industrial cities previously named in the initial operations.

### **1.16 Legal Considerations**

Theshortlist.com's expansion will be via branch offices once the targeted regions are approved. While branch offices are more costly and have greater legal liability, there is more control over the operations. Since Theshortlist.com is recommending certain providers, it cannot afford to have its reputation challenged as has Angieslist.com in recent publications, calling for it to cease operations entirely. Theshortlist.com's relationships have too much danger of the local affiliate concentrating on their own

interests instead of Theshortlist.com's interest.

“Labor agreements should be reviewed for acceptability in both cultures” (Sherman, 2016). Differing countries have different labor practices and laws, and the operations of international branches will be compelled to comply with the laws of the country of the branch. While Theshortlist.com's intention is to provide a favorable and healthy relationship for its employees, practices will be in line with common practices of the country where the office is located, and not necessarily those of the United States. Protocols of labor, such as the French law require no more than a 35-hour week and no more than a 10 hour day (Expat, 2013).

### **1.17 Sources**

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