

CHAPTER IV

A NORTH AMERICAN APPROACH

1. MARKETING RESEARCH

Customer Research

- Customer Satisfaction
- Lead Generation
- Lost Account Research

Communications Research

- Advertising Testing and Tracking
- Let's Talk Risk Workshops

Internal Research

- Product Research
- Employee Satisfaction
- Corporate Imaging / Familiarity

Product Development Research

- SME Financing Products
- SME Working Capital

2. ADVERTISING AND DIRECT MARKETING

Advertising & Promotion Objectives

- Set measurable performance objectives:
 - Response rates based on inquiries from 800 lines, reader reply cards, Internet web site
 - Sales conversion rates
 - EDC awareness levels among prospect audiences
 - Recall levels of EDC ads.

Trade Shows

- "Participation" takes many forms:
 - Limited attendance
 - Staffed booth
 - Looping computer presentations
 - Speaking engagements
 - Pre-show delegate letters
 - Post-show delegate follow-up
 - Event sponsorship
- EDC is participating in 17 trade shows this year

Associations

Among EDC's target sectors, 35 industry associations have been identified and are being contacted for a variety of marketing activities:

- Membership lists for direct marketing and lead generation
- Association publications and newsletters for advertising and editorial opportunities
- Events, conferences, trade shows that may warrant some form of involvement
- Key industry contacts

Challenges and Opportunities

- Every year, one in four SMEs go out of business, making awareness building difficult
- The 'decision-maker' who buys the EDC product is either an owner or a financial specialist, rendering vertical advertising ineffective
- Many companies still don't know EDC
- No brand equity in "EDC", corporate signature is confusing

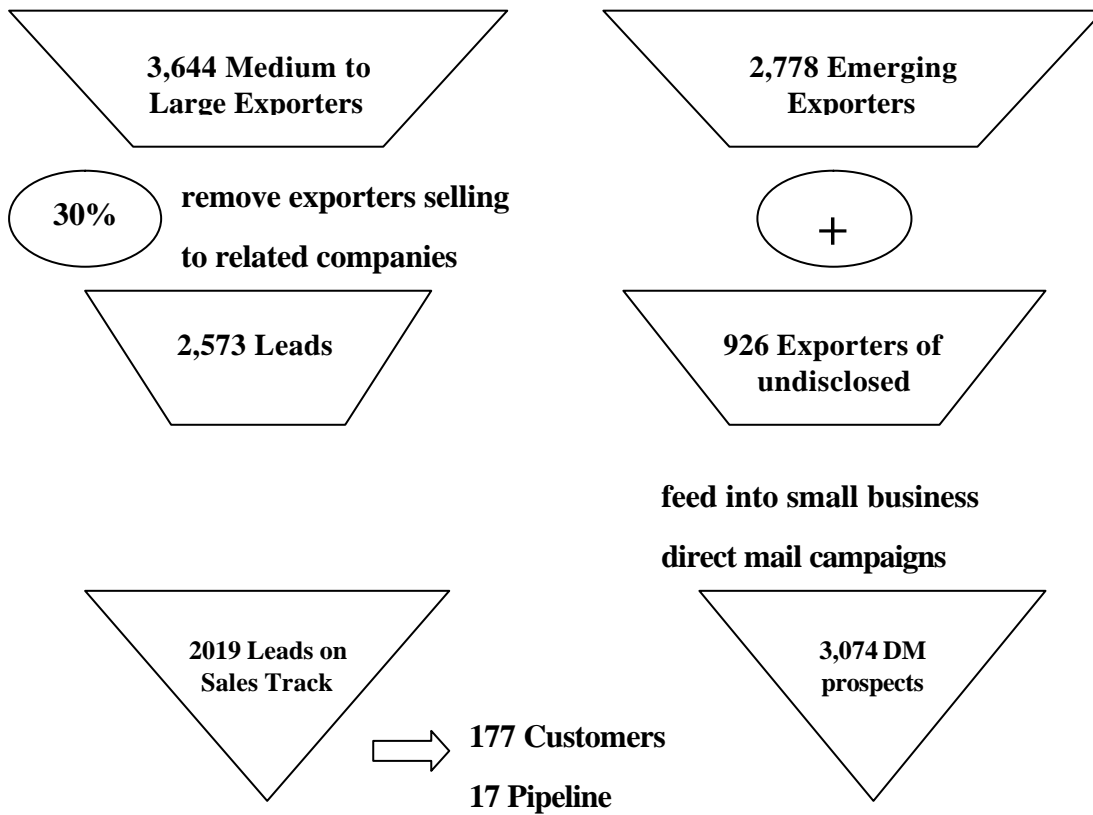
3. EDC MARKETING PROGRAM

Lead Generation Survey - Key Questions:

- Export and total sales
- % of exports to unrelated buyers
- familiarity with EDC
- primary product or service
- likelihood to use credit insurance
- likelihood to invest in developing countries
- export markets of interest

Results - Leads Generated 1996 & 1997 to date

7,348 interviews with Canadian Exporters



Converting Leads into Sales

- Not all follow-ups will result in new business - expect a conversion rate of 10-20%
- Conversion times (after follow-up) range from one day to two years - plan to reschedule many calls

Cost / Benefits of Generating Leads

	<u>1996</u>	<u>1997</u>
Cost per Lead	\$30	\$18
Cost per Sale	\$1,108	\$1,310

- Increased awareness of EDC among exporters, improved EDC knowledge of awareness levels
- Enrichment of Sales Trak with complete contact, product and sales information
- Development of a comprehensive exporter database, generation of mailing lists for Teams

Lead Generation - Quality Control

- Re-interviewing leads not followed-up within the last year
- Set team and BDM targets for lead follow-up rates, conversions
- Acquire more targeted lists of exporters
- Focus business development effort on top tier of prospects

4. Selling Through Brokers

What is a Specialist Broker?

- Experience with export credit insurance covering exposure both within and beyond the North American arena
- Knowledge of technical and legal requirements for trading goods in foreign countries
- Exposures to and understanding of Policy documentation such that assistance and guidance can be provided to a prospective insured with respect to product comparisons
- Knowledge across a broad range of industries such that a potential insured's business requirements are understood and can be fully explained to EDC

Direct Selling vs Selling Through Brokers

- Cost effectiveness
- Product understanding
- Relationship with customers
- Access to certain (larger) potential customers

5. Selling Export Insurance to and via Banks

Role of the Bank

- Provide exporter with access to working capital
- Confirm / negotiate / accept / pay documentary credits

Recent New "Products"

- Master Accounts Receivable Guarantee (MARG) - for small exporters, provides Banks with a guarantee on loans against receivables
- Grow Export Program - joint working capital guarantee program with Canadian Imperial Bank of Commerce for small high-tech companies
- Norhtstar Trade Finance - short-term policy tailored to cover medium-term credits (up to 5 years)

- Medium-Term Documentary Credits Policy - broadened short-term DC policy to cover medium-term LC's (up to 5 years)
- Bank Aval Policy - policy in development to cover Canadian banks on foreign bank avals rather than Letters of Credit