



**EXECUTIVE FORUM ON
NATIONAL EXPORT STRATEGIES**

**EXPORT OF SERVICES: HYPE OF HIGH POTENTIAL?
IMPLICATIONS FOR STRATEGY- MAKERS**

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**Selling the Promise – Credibility through Branding
The Case of Ghana**

**A paper contributed by
Collins Boateng
Executive Secretary
Ghana Export Promotion Council
Ghana**

SERVICE EXPORTS SELLING THE PROMISE - CREDIBILITY THROUGH BRANDING

Introduction

The services sector is the largest and fastest-growing sector of the world economy, providing more than 60% of global output and in many countries an even larger share of employment.

Export of services accounts for 20% of total world trade. Ghana is yet to actively participate in this trade. It is estimated that world market for services is valued averagely at US\$3 trillion per annum in the last five years. The share of developing and transition economies in this trade rose from 23.9% in 1990 to 29.4% in 1997. It is believed that services will reach 50% of world trade by the year 2020 (ITC/UNCTAD/WTO, OECD).

Some services with prospects to be exported from Ghana include accountancy, freight forwarding, financial services, architectural services, computer services, computer software development, management consulting, market research, marketing services, travel services, construction and related engineering services, recreational, cultural and sporting services; transportation and related services.

The Service Industry in Ghana

In spite of the obvious fact that services present an opportunity to diversify export trade and thereby significantly increase earnings, knowledge-based services have not been generally addressed in export development strategies. In the area of the liberalisation of services Ghana has only negotiated very few bilateral specific commitments.

Ghana has a large pool of professionals and consultants of international standards offering a wide range of services to both Ghanaian and foreign clients.

Over 90 % of the service firms are small scale and comprise in most cases a maximum of 10 professionals. Most of these services firms have membership with the Ghana Association of Consultants, the umbrella association with 203 corporate and individual members. Individual associations in the sector include; Ghana Bar Association; Chartered Institute of Marketing, Ghana, Institute of Chartered Accountants, Ghana Institute of Engineers, Ghana Institute of Surveyors, Ghana Medical Association, Ghana Institute of Freight Forwarders; Chartered Institute of Bankers (Ghana); Ghana National Association of Travel and Tour Operators, etc.

Most of the small-scale services firms are hardly aware that they are engaged in the exports of services even when they have actually provided services to clients in the following categories: those outside the borders of Ghana, foreigners who have actually travelled into Ghana to patronise the service, foreign embassies in Ghana, foreign institutions in Ghana, among others.

Challenges of the Sector in Ghana

The challenges facing most services firms in Ghana include the following:

- Bidding procedures and requirements discriminating against local consultants, e.g. High minimum turnover requirements;
- Insufficient information and knowledge in international bidding procedures;
- Foreign consultants are preferred to local consultants. Paradigm shift needed in favour of local consultants;
- Technology: inadequate access to ICT facilities to enable effective networking;
- Awareness: most association members are unaware that their services to foreign clients are export activities;
- Insufficient knowledge and skills on networking;
- Insufficient funding to run programmes and generate necessary awareness.

Selling of Services

Selling is a Process that involves key steps such as: Prospecting, Initial Contact, Sales Presentation, Handling Objections, Closing the Sale, Follow-Up and Service after the Sale.

Critical to the topic under discussion are prospecting, sales presentation, closing the sale, follow-up and service after the sale.

- ***Prospecting***
This involves finding qualified prospects for a firm's service as the natural first step in the sales process. After identification of prospects most firms undertake some measure of fact-finding to determine sales approach, plan sales calls and services that best suit particular prospects. Few firms go the extra mile to uncover reasons why they should not pursue some prospects, saving them valuable time and resources.
- ***Sales Presentation***
Many sales people feel the most exciting part of the sales process is presenting services to prospects. In pursuing prospects, most service firms present proposals to prospects to be assigned contracts for execution. Some prospects initiate contacts based on referrals and seek for proposals.
- ***Closing the Sale***
After presentation of proposals, firms pursue prospects to ask for the business. In doing this, firms make promises some of which may have been already indicated in the proposal presented to prospects.

Emotion comes into buying decisions of both tangible and in tangible goods. Thus, the ability to discern the way prospective customers think increases the chances of selling to them. In some cases, prospects tend to give signals of their readiness to patronize the services. The service provider tends to play on such signals by making promises to facilitate quick and definite decisions on the part of the prospects to patronize the service.

Service providers in their promotional activities via electronic and print sources tend to make promises to spur prospects to make decisions to patronize their service. In their promises, they often make claims that their service is the best or among the best in the world, customer-focused (sincerity about desire to help prospect), proven, practical, street-smart, has stronger customer relationships and is immediately usable, among others. These they promise will make clients rich, happy, successful, efficient, etc - whatever emotional trigger they think will influence clients. Professional buyers are promised that their decision to patronize the service will be a wise one; will enhance the image and efficiency of their organization, and help their career or status in the organization; they will receive discounted and efficient later services after major contract service delivery. If it is a personal purchase, the promises tend to focus on pleasure or satisfaction.

- ***Follow-Up and Service after the Sale***
Few firms undertake follow-up after executing service contracts. These firms believe that such follow-up is just as important as making the sale. This really signifies sincerity about desire to help clients.

Additionally, building long-term relationships with customers allows a firm to leverage or make additional use of its initial investment of time and money spent selling to that customer.

"There's no better advertising than a satisfied customer." Good follow-up and service after the sales establish and maintain a firm's good reputation, build goodwill among the firm's customers, and generate repeat and referral business.

The above steps differentiate a firm's service from that of competitors. To help prospects or existing customers to identify the firm with its service, the firm attaches a visual image or sign to itself or service to signify uniqueness. Such visual image or sign can be referred to as brand.

Branding

Branding has many definitions. This paper will limit its definition to the following:

- The proprietary visual, emotional, rational, and cultural image that a firm associates with its corporate body, product or service. Having a firm's brand name remembered by prospects or existing clients and making them associate positively with that brand makes the company's product or service selection easier thereby enhancing the value and satisfaction one derives from the product.
- The intangible, but real, value of words, graphics or symbols that are associated with the products or services offered by a business.
- The process by which the true character and purpose of the company or organization is communicated.
- The use of a name, sign or symbol to identify items or services of the seller and to differentiate them from goods of competitors.

Invariably, it is the emotional relationship with brands as indicated in the first definition above that makes brands so powerful. Examples of strong brands in the service industry in Ghana could be found in the telecommunication sector. These include Areeba, Buzz and U-Touch.

Credibility Through Branding

A firm's credibility could be developed by providing quality and efficient services and also keeping to promises made in proposal for contracts and promotional activities (using e.g. electronic and print media). Therefore, a firm's credibility through branding could first and foremost be attained by ensuring quality client-focused service delivery and then attaching it to a visual image or sign for itself or service to signify uniqueness.

Having attached the brand (visual image or sign) to a corporate body or its service, the next step in building the credibility through the brand is to promote the brand and its association with the firm or service in a way to ensure that prospects and/or existing clients remember and associate positively with it.

To sustain the credibility of a firm through its brand requires:

- Periodic survey of customers and finding the top ranked reasons why they patronize the service of the firm rather than that of competitors. Then, pound that message home in every ad, in every news release, in communications with employees and in every sales call and media interview.
- Integrated, ongoing and genuine commitment as well as honest and participative environment for helping and satisfying the needs of prospects and/or existing clients. This requires firms to think anew about their roles and responsibilities.

- The engagement of a firm's employees with its ideas by involving people with the purpose and the values of the organization.
- Brand ideas - purpose and value statements – that will stir people's imaginations, especially employees to tap into their higher motivations to facilitate innovation; excellent customer service; adaptation to circumstances; and creation of new ways of doing things.
- Selecting the right employees, developing their skills, building commitment and nurturing talent.
- Focus on developing two forms of attachment with consumers - functional and emotional appeals.
- The integration of the brand into all facets of the organization, especially in terms of recruitment policy, training, appraisals and rewards.

Ghana's Case

Although brand could be mentioned as the most powerful idea in the commercial world, very few companies consciously create a brand identity in the service industry in Ghana. A few branded firms could be found in the following sectors: telecommunications, banking, non-banking financial institutions, insurance, advertising, computer services and sporting services.

Firms in other sectors of the service industry, such as accountancy, freight forwarding, architectural services, computer software development, management consulting, market research, marketing services, support services for international agencies, surveying services, legal services, tourism and travel services, construction and related engineering services, recreational, cultural, transportation and related services, transportation and related services, hardly create a brand identity. Instead they create a logo to serve as a unique symbol or design that represents the company.

The Case: Watson Service Limited

Watson Service Limited, a freight forwarding company (packers, shipping agents and removers) in Ghana was established in 1965 and is the first private freight forwarder in the country. It has membership with the following:

- Ghana Institute of Freight Forwarders;
- International Federation of International Removers;
- Household Goods Forwarders Association of America Inc.;
- American Moving and Storage Association;
- British Association of Removers;
- Globe

Watson Service Limited is a small firm with staff strength of twenty including ten professionals. Staff turnover is high and such estranged staff has been found to operate their own firms as freight forwarders or custom clearing agents. The firm has five main departments namely, Export, Import, Packing, Finance and Administration. By virtue of its membership of the above associations, it is listed in their directories and thus advertised worldwide.

The firm's business is seasonal and the lead season is between May and December each year. The firm mainly receives business from the following:

- Government Ministries, especially the Ministry of Foreign Affairs;
- World Bank;
- International Finance Corporation;

- Foreign Embassies;
- Institutions/Companies; and
- Individuals

Most of the above contacts were made through listings in directories and referrals. Due to efficient service delivery and sincerity to the desires of clients, the firm has been able to maintain a good reputation and goodwill with its clients thus resulting in repeat business and referrals.

In spite of the acclaimed efficient service delivery and sincerity to the desires of clients, the firm scarcely markets its service using television advertisements, brochures, newspapers, newsletters and periodicals, etc. All that the company has to show is an order form as indicated in Appendix 'A'. Yet upon physical contacts with prospects or customers, the firm announces the following promises:

- Proven track record in providing services to all parts of the world
- No overcharge
- Credibility with partner removers/forwarders in destination countries
- Quality and efficient service delivery
- Recognised by world wide associations of freight forwarders
- Excellently appraised by partner removers/forwarders and clients alike

The firm however does not have any brand identity. Instead it has a logo, a unique symbol or design representing the firm. The logo is printed on carton boxes or packaging material in which items forwarded are packed. Because of the non-existence of a brand identity, the firm does not work to build its credibility through branding but instead focuses on adhering to the ethics and standards of the profession and that of the associations to which the firm belongs.

Appendix A

WATSON SERVICES LIMITED

EXPORT PACKERS – SHIPPING AND CLEARING AGENTS

Osu, La Road (1 Mile from Black Star Square)

P. O. Box 1013, Accra, Ghana

Tel.: (233-21) 775817, 775163 Fax.: (233-21) 772872, 762797

Email:

Watson@africaonline.com.gh

ORDER FORM NO.....

(To be completed in duplicate by owner by of goods or duly authorized representative and original returned to us)

Name:..... Tel. No.....

Address (postal):.....

Sketch map showing location:

Date packing or removal is to commence..... Date leaving Ghana.....

Address to which consignment is to be sent.....

Overseas residential address (if different from above).....

State if permanent or temporary transfer residence.....

Charges payable by (attach letter of authority or L. P. O. if not payable by self).....

Note: Payment of charges is now required before shipment is made and a deposit is required before work commences in all other cases. Charges for shipment can only be charged to the port. Consignments held for more than 15 days at our depot will be charged storage rent at appropriate current rates.

Please delete appropriate section if all services mentioned below are not required.

- I request you to:
1. Pack household effects at my residence/your depot
 2. Provide all/part of packing materials
 3. Provide all/some cases and/or crates
 4. Remove furniture and effects locally in Ghana only
 5. Arrange transport to Port in Ghana
 6. Arrange shipment as Freight/Accompanied Baggage
 7. Arrange delivery from destination Port to destination address through your Agents, and your Agents will be paid direct by me
 8. Insure household Furniture and effects for "All risks in transit to the value of ₵....."

Note: The value must be the total of the consignment (this may include freight charges etc.) and should be the value at destination, which may differ from the value in Ghana.

As we do not accept liability for any consignment once it has left our hands (and our maximum liability while goods are in our charge is limited to ₵20 for any one consignment we recommend that insurance instructions be given before any work commences.

Value for Customs purposes.....

I agree that all the above work is undertaken subject to Contact conditions, a copy of which I have received, and that all goods to be removed, packed or shipped are my own unencumbered property or I have the full consent of the owner to authorize the above work to be done.

Signed.....

Date.....