BRAND NEW PERSPECTIVES DENISE LEE YOHN

Tops in Translation

Q: My group is bringing a new vending concept to the North American market: a pizza vending machine. Do we license the European brand that is semi-established in Europe but means nothing here in the U.S. market, or do we build our own?

—**Darrell Habben Jr.**, *President, Union Square Food Concepts*

A: I've been asked similar questions about importing international brands into the U.S. The growing consumer interest in international fast-food concepts is not surprising given how American palates are becoming more adventurous and the ethnic composition of our nation's population increases in diversity. And, given that the U.S. remains the largest consumer market in the world, it's no wonder foreign brands are eyeing the growth potential that an American expansion holds.

But for every success like Pret a Manger (imported from England) and Le Pain Quotidien (Belgium), there are struggles like those experienced by Tim Hortons (Canada). So let's examine some universal principles about starting foreign concepts here, and I'll be sure to address your question, Darrell.

Tim Hortons is actually a good topic to start with. While the 51-year-old chain enjoys tremendous brand equity in Canada, it has struggled to gain a strong foothold here in the U.S. The chain says it sells eight out of 10 cups of coffee poured in Canada, but it hasn't been able to attract more than 3 percent of the American market. It remains a very small fish in a big pond already dominated by two big fish, Starbucks and Dunkin' Donuts, which together hold approximately 85 percent market share. Then there's Krispy Kreme, a small but influential player since it is such a highly differentiated, much beloved American brand. Many analysts attribute the slow growth Tim Hortons has achieved in the U.S. over the past 30 years compared with its continued strong performance in Canada to the difference in each country's competitive landscapes.

Therein lies the first principle of importing an international concept: Know your competitors and ensure your brand holds a clear, differentiated competitive position. You must express and deliver on a unique brand identity if you want to get traction in the crowded American market.

To sharpen your competitive edge, you may need to emphasize different brand attributes than those in the concept's home country, as South Korean coffee chain Caffebene did by developing Belgian waffles as a signature item and offering more food choices in order to clearly distinguish itself from existing American coffee chains. And keep in mind that your competitive set is not only comprised of other similar ethnic concepts; you're also competing for people's food dollars against most other quick serves, grocery stores, convenience stores, and other foodservice outlets.

Highlighting your concept's foreign roots is a powerful way to differentiate it from competitors. Quite understandably, people perceive a croissant from a French brand as higher quality and more authentic than one from an American chain. Using the original brand name can produce these associations more quickly and easily, so it makes sense to keep it unless it's difficult to pronounce or confusing. You can also use messaging to promote your international tie—either explicitly, like with a "Made in Italy" descriptor, or more subtly through the use of foreign words or phrases, like how the servers in a Southeast African mom-and-pop café in my neighborhood greet customers with "Jambo" ("hello" in Swahili).

Equal in importance to competitive savvy is the need to understand your customers. Not only do you need to understand American taste-profile preferences (generally less spicy and sweeter than most other cultures), but you must also understand American expectations in service, portion size, customization, and speed. You may need to adjust your operations, as chicken brand Nando's did to accommodate higher incidence of dine-in occasions in the U.S. than in its native South Africa.

Pay attention to your customers' broader cultural influences and lifestyle dynamics. One could argue that the increased popularity of barista-prepared, espresso-based coffee beverages in the U.S. has made the traditional brewed coffee offered at Tim Hortons less relevant. Meanwhile, Asian pop culture has become such a growing phenomenon in America (as evidenced by the hit song "Gangnam Style" by Psy from Korea and the cultish anime shows and games from Japan) that the stage has been set for an influx of imported brands featuring bánh mì or bao.

The last principle I'll emphasize is to reduce the barriers to trial. Even though it seems America has emerged from the dark days of the Great Recession, consumers are still quite risk-averse when it comes to spending money. They are hesitant to plunk down their hard-earned cash for products like ethnic foods if they're not sure they'll like them.

Sampling, testimonials, and money-back guarantees are effective ways to reduce the perceived risk of trying something new. Use product names that are easy to pronounce and remember, and provide descriptions that are clear and employ familiar terms and ingredients. Also, ensure your employees are familiar with your products and can describe them and make recommendations. Sampler platters are an effective trial booster; not only do they allow customers to try small portions before committing to a single item, but they also expose customers to more of your menu, which may encourage more frequent repeat business.

Brand New Perspectives is taking your questions. If you are an owner, operator, or executive with a branding question, e-mail **Denise@qsrmagazine.com**.