

TRUTH is in the Eye of the Beholder

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It is a situation both sad and ironic. While countless Atlantic Canadian companies successfully position themselves as competitive, efficient and innovative players in the international market, the region itself is unable to shake its defeatist image.

We are all too familiar with the commentary and the innuendo. Atlantic Canada is backward. It's an ungrateful region owing its survival to Alberta and Central Canada. The people are content to wallow in make-work and unemployment insurance. The only reason foreign companies locate in Atlantic Canada is to receive government handouts. And, as if that's not enough, they've somehow managed to double-dip for both equalization and multi-billion dollar offset payments.

Have I left anything out? Are you riled up yet? Well, you should be. These misperceptions about Atlantic Canada have been perpetuated across the country for decades. But despite our justifiable outrage and numerous heartfelt rebuttals, we haven't succeeded in changing how many Canadians perceive us.

In other words, we've not done a good job of marketing our region to the rest of the country. And this is a shame because, if you take one of the most concise definitions of marketing—which is to solve clients' problems profitably—and apply it to Atlantic Canadian businesses, it is clear that we have solutions to spare.

However, Atlantic Canada has never positioned itself as a region; never marketed itself in an integrated way; never trumpeted its key messages to the world in four-part harmony. If we did, perhaps the old stereotypes would die harder, faster.

Here's what's really ironic: although companies throughout the region are faced with considerable roadblocks as they enter global markets, most say location isn't a major liability. They agree there are challenges, though none that are insurmountable. More importantly, they are aware of their competitive advantages and market them aggressively. And wherever they can, as often as they can, they use Atlantic Canada as an asset.

It's an asset that actually has some competitive advantage over China, believe it or not. Granted, Chuck Cartmill had to look very carefully to find it. The president and owner of C-Vision, a circuit board manufacturer in Amherst, Cartmill realized that, if you can't be big, you'd better be best at being small.

It's difficult to compete against the big batch Chinese manufacturers on price, said Cartmill, who launched his business three years ago. But then, price isn't everything.

“China is well suited to very large volume, standard-type jobs,” says Cartmill. “The disadvantages of dealing in China are time-zone differential; it is over a month away for shipping products to North American markets; quality can be an issue, particularly on new innovations; and language is a barrier.”

So Cartwell makes their weaknesses his strengths. He targets customers who are looking for super high-quality circuit boards for new product innovations and delivers on his reputation for exceptional product performance and customer service.

Another leader in competitive innovation is Cathexis of St. John’s, Newfoundland. They develop Radio Frequency Identification (RFID) systems that use wireless technology to track products through distribution systems or life cycles, preventing theft, misplacement or tampering. If a bar code can tell you the price, size and brand name of an item, RFID can tell you how it works, where it was made, what it’s made of, how it got here, where it’s going and what it had for breakfast (if it happens to be livestock, which is one of the potential applications).

Taylor said that Cathexis has forged strategic partnerships with a handful of leading-edge companies who bring compatible new technologies to the table, enabling new innovations in the creation of client-centred solutions.

“We have built our business by developing strong relationships with key partners in technology, applications and systems integration with years of experience and a solid customer base, and we complement them with our cutting-edge RFID technology. We keep our focus on our core competency to stay at the forefront.”

Their location in Atlantic Canada is not a drawback for Cathexis, Taylor adds. “Our customers want the best technology available, and they don’t care where in the world it comes from.”

However, a strategically-located sales office is a definite advantage when it comes to building credibility with clients. “We have a sales office in Dallas because it is the Silicon Valley of RFID, an office in Calgary to access Western North American markets and a strategic alliance with a European company with strong business linkages across that continent.”

Atlantic Canada has built major international food industries and remains strongly competitive in spite of global competition and some serious resource challenges. As well, anyone working in the food business lives with the harsh reality that one sensational news story, like BSE in beef or toxins in farmed salmon, can spread like wildfire and leave superior quality food products sitting on shelves.

“The best strategy to prevent such an unfortunate situation is staying close to your customers at all levels, educate and consult with them, inform and assure them of the safety and quality checks, the nutritional facts and build the integrity of the product like a

fortress,” according to Colin MacDonald, president and CEO of Clearwater Seafoods.

“Consumers are more sophisticated in their knowledge of food, MacDonald said, and the motivation is toward healthier eating and longevity.” Major protein food groups are in competition with each other, and seafood is a major contender largely because of its impressive Omega-3 component, a heavyweight in the fight against cardiovascular disease.

Clearwater Seafoods capitalizes on Atlantic Canada’s reputation for having a pristine environment and picture-perfect fishing villages. It all supports the image of clean, fresh quality.

Live lobster is the company’s biggest seller. However, their newest product is raw, frozen lobster in pouch packs, popular with high-end chefs and major food service companies who want fresh lobster without issues of handling and mortality. It’s a perfect example of anticipating customers’ needs and offering superior solutions.

Clearwater uses their website to promote their fish products, recipes and online ordering. “And to reach the high-end food service market, we advertise in key magazines to promote the high quality seafood that Atlantic Canada has to offer,” MacDonald said. “We also have sales offices in key markets, to maintain and build a strong sales network, and stay close to our customers. Direct selling is still critical to closing a business deal.”

Not all Atlantic Canadian companies need sales offices in other provinces and countries in order to be where their customers are. Award-winning Engage Interactive of Fredericton, New Brunswick is a developer of online education courseware for PDA, cell phones and DVD – the anywhere, anyone, anytime type of learning. Their advertising is completely online because their customers are online.

Engage is exploiting burgeoning e-marketing venues which allow them to target potential customers without the high price-per-thousand costs associated with traditional advertising.

“Online advertising is emerging from a wild-west technology and rapidly becoming more organized with such things as www.prweb.com, where you can inexpensively post press releases, and RSS (Really Simple Syndication), where stories are fed into content categories that can be picked up by Google News, MSN news and others,” said Thomas Mitchell, director of Sales with Engage.

For Atlantic Canadian companies whose market is completely within the region, audience fragmentation is a challenge. More people are watching specialty channels, which are carving the viewing audience into smaller, highly concentrated pieces of pie. For example, the Golf Channel may not have a large audience, but it delivers an affluent audience at a good price.

Heather Tulk, vice president of Broadband and Marketing with Aliant, says it has become

more difficult to reach large numbers of people. “At one time, you could place a 30-second spot on the television weather forecast on Thursday night and reach a large block of Atlantic Canadians,” Tulk said. “Not any more: targets for each advertising medium have to be clearly defined. The message has to be crisp, because there are so many messages out there to compete with. The goal is to make a connection, so the message should connect emotionally, be fact-based, situation specific and fit with the psychology of the customer.”

Broadcast and print media are responding to the need for more sophisticated market information. There are considerable choices for advertising placement, and media have to provide detailed audience information. In the case of television advertising, Mike Elgie, the general manager of ATV, says, “Clients know their target markets, their age range, and their habits – right down to their eye colour. The medium must deliver.”

Newspaper advertising is also evolving to meet the needs of its customer base, said Fred Buckland, senior vice president and general manager of the Chronicle Herald in Halifax. “It’s about customization and image. Customers are very strategic about the placement of their ads. They want to know the section where their advertisement will appear and, more importantly, the type of content that will be appearing within that section.”

For flyer delivery, customers specify neighbourhoods, streets, parts of streets and even particular addresses. In order to meet this growing demand, the Chronicle Herald is investing in automated insertion equipment.

In the aftermath of 9/11, airports in Atlantic Canada have had to adapt along with the rest of the world to a rapid decline in air traffic. In the face of these challenges, the Halifax International Airport Authority (HIAA) decided to work more strategically with airline partners to help increase passenger traffic.

They launched www.flyhalifax.com as a one-stop site integrating flight information from all airlines in one convenient place, allowing consumers to compare prices and explore the best scenarios for air travel. As well, they promoted the airport to new airlines as a less-congested hub near Atlantic Canada’s largest city, while highlighting their low-cost landing fees and high customer service.

A media campaign was launched utilizing traditional media in innovative ways to maximize awareness of the airport. In one instance, they commissioned an artist to paint an advertisement on a billboard at the approach to the bridge between Dartmouth and Halifax.

“We were able to pique curiosity and get people talking about what was going on,” said Jerry Staples, Director, Marketing and Business Development for HIAA. “Morning radio shows picked up on it and generated some fun chat. Driving to work can be uneventful, so this gave commuters something to check out over a week or so. It is hard to ignore someone standing up high painting onto a billboard. We created a dynamic advertising event instead of a static billboard which would be so easy to overlook.”

In another promotion, the Halifax business community was invited to a lunchtime entertainment event at a local park to learn about a new airline service to Halifax. The strategy for this campaign was to demonstrate the hospitality that customers could expect when using the new airline, offer a direct invitation to use the service and give people an opportunity to chat with airline employees. It was a deliberate tactic to bring the product to the target market instead of waiting passively for them to use the service.

The Airport's strategy is working. Within the last two years, the number of airline carriers connecting to Halifax has tripled (growing from seven to 21). In 2004, they saw a record 3.2 million passengers using the airport and they were named the number one airport in the world for customer service in the under-5-million-passenger category.

HIAA's success is reflected in the carriers who use the airport. Canjet is a home-grown regional passenger carrier that was established in 2002. At the time, Atlantic Canada was being underserved by major carriers who, in the afterburn of 9/11, were increasing fares while cutting back on destinations, flights and customer service in a struggle to survive.

Canjet had the benefit of studying two other airlines – Southwest Airlines in the United States and Westjet in Canada – who had achieved profitability by crafting a good schedule, smart connections, customer service and affordable prices.

Canjet followed this basic model, while capitalizing on our well-known Atlantic Canadian hospitality. They did their research, establishing a schedule and destinations that matched the travel patterns of Atlantic Canadians. Their advertising featured friendly faces and the promise of reliable service at the lowest possible price. And then they delivered on the promise.

The result? After almost three years in business, Canjet flies to 14 destinations. This year they plan to add two more destinations and two more aircraft to their fleet.

The HIAA and Canjet refused to let circumstances turn Atlantic Canada into a backwater region. They took charge, crafting innovative solutions that respond to the needs of the region.

Atlantic Canadian universities have done their part to enhance the region's image. Five have been ranked in the top 10 in the 2004 Maclean's rankings' survey; the top three all from Atlantic Canada. Topping the list for the last three years is St. Francis Xavier in Nova Scotia, and the president, Dr. Sean Riley, says their success is built on the old "university town" model.

Seventy per cent of Canada's largely urban universities have enrolments over 15,000, larger class sizes, a significant number of part-time faculty and many students who are not living on campus. By contrast, St. FX emphasizes their small-town roots, limits their enrolment to 4,000 students and emphasizes the message that "they are not getting bigger, they are getting better."

This is not to say that students are isolated from global issues. Through strategic linkages, such as The Coady Institute, the university brings the world to its doorstep. Established by St. FX in 1959, The Coady Institute is a world-renowned centre of excellence in community-based development. Over the past four decades, nearly 4,000 development organization leaders from over 120 countries have taken part in the Institute's campus-based programs.

The Maclean's survey rating is the university's highest profile publicity, and it is featured prominently on their functional, content-rich web site. Other promotion includes high school visits to attract students and a major print advertising campaign.

St. FX also makes maximum use of word-of-mouth marketing. Their alumni support was ranked highest by the Maclean's survey, which means graduates are loyal and vocal supporters of the university. As Dr. Sean Riley says, "Our greatest advertisement is the alumni who speak so highly about the university and recommend it to others."

Business and industry associations in Atlantic Canada can also be plagued by negative stereotypes, often of their own making. Their approach has become formulaic; offering a steady diet of luncheon speakers, the occasional trade show and a lobbying voice on behalf of their industry. Does this value proposition warrant the several hundred dollars that members pay each year?

It's a question that is becoming relevant in Newfoundland, where federal and provincial funding to a number of industry associations is disappearing. Can these associations survive on their own?

"Indeed they can," says Marvin Chaulk, president of Nati, the Newfoundland Association of Technology Industries. His association is reinventing itself around a business driven model in order to achieve self-sufficiency.

"Today's successful businesses are changing, dynamic and adaptive" Chaulk said. "In order to serve its members, Nati must be the same. We can't just talk about innovation; we have to lead by example."

Nati represents more than 200 members active in information technology, ocean technology, biotechnology and geomatics. Over the last year, Nati has put in place new strategies and tactics to drive change and enhance profitability for members, with an emphasis on business, industry and human resource development. The association has a strong lobbying voice, and is heavily involved in the development of an Innovation Strategy for the province, but it is also engaged on the front lines of business development.

Through its Business Development Program, Nati enters into formal partnerships with selected companies by working as a sales agent in the pursuit of export markets.

“We work one-on-one with companies in developing their branding and marketing strategies, then pursue international contracts on their behalf,” said Chaulk, a former entrepreneur himself. “When those businesses succeed in winning contracts, we benefit from that.”

Nati’s approach in this regard is apparently unique among industry associations globally. “We don’t care how many trade missions we attend,” Chaulk said. “What really matters is how many deals we conclude.”

By creating results for members, Nati generates revenue that is rolled back into programs and services. “We rely on the same market forces that drive our membership, which gives tremendous insight into the opportunities and challenges they face,” Chaulk explained.

These Atlantic Canadian examples covering various sectors demonstrate an exceptional wealth of marketing savvy in Atlantic Canada. And not one of these successful businesses mentioned location as a significant problem. Yet, how many times is our location used as an excuse for underachievement? Or trumpeted as a reason to open the public purse and offer incentives to attract new business?

A few years back, at a conference in Calgary, Alberta’s business development officers made a presentation to a group of manufacturing companies from across Canada on the advantages of relocating to Alberta. But they weren’t pulling out their cheque books. To the contrary, they advised companies not to locate there unless they were sure Alberta offered the right conditions for success. Specifically, they said: “We aren’t giving you a popsicle stick to move here.”

Alberta’s philosophy and the mindset of successful Atlantic Canadian companies are similar. Our companies flourish because they capitalize on the strengths of the region, while offering solutions that are in demand at home and around the world.

If we, as Atlantic Canadians, can take some marketing lessons from these winning companies and organizations, perhaps someday soon we can adopt the “no popsicle stick” business strategy.

And we can start rewriting the commentaries on Atlantic Canada, shaking the stereotypes and innuendo once and for all.