How to launch a \$19 billion startup brand?

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Date : May 25, 2016



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There is a tendency among <u>entrepreneurs</u> who are launching a new business to consider the United States as the only viable choice for launch and early operation. But in fact, this America-centric model forgoes tremendous opportunities that come with focusing on less saturated markets in which to build your **brand** before moving into the U.S. market, if at all.

WhatsApp, the Internet-based messaging app which was bought by <u>Facebook</u> for an impressive \$19 billion in 2014, is an outstanding example of how going global before "going American" can pave the way to success.

A man holds a smartphone on January 18, 2015 in Sao Paulo, Brazil.

Though technically based in the <u>United States</u>, the company focused on gaining users and building its **brand** elsewhere and therefore rose to international popularity before most American consumers had even heard of it. Even today, a significant portion of its monthly users are based overseas.

My company, <u>Vonetize</u>, a global video on demand service provider, has taken a similar route, launching in Europe and expanding into emerging markets such as South America and numerous African countries.

Here are four reasons why you should consider targeting the rest of the world before setting your entrepreneurial sights on the American "Promised Land."

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1.

A perfect testing ground

Costs of company infrastructure, overhead, **marketing**, and **advertising** are lower in developing countries than in the United States, making African and Southeast Asian countries prime terrain for inexpensive 'beta testing' on a mass scale. Many entrepreneurs also overlook the potential in addressing local pain points in these markets. There is an opportunity to learn, grow and fine tune for different audiences all before hitting the United States.

2.

The internet is truly everywhere

Internet access is the final frontier of globalization. To the Western eye, it may seem incongruous that some societies suffering from chronic water shortages, poverty, political turmoil and the like are nonetheless connected online to the same degree as more developed countries. Internet access across Africa has jumped 7,231 percent between 2000-2015, and various emerging markets are accelerating their adoption of innovative technology like broadband and LTE.

As online access continues to grow at a rapid rate across huge swaths of Africa, Asia, and South America, more and more people can be connected (usually via smartphones) to the same content, apps, and online services as people in the United States. This growth presents huge market opportunities in a nearly untouched space, all by virtue of Internet connectedness.

3.

Let your company flourish with minimal competition

This one's fairly obvious, but important, nonetheless. Launching your business in a relatively untapped market means access to a huge block of potential users without the limitations of operating in a saturated space against many competitors.

The United States has multiple companies offering the same thing for every conceivable type of service, from video-on-demand to food delivery, and every new startup must accept the fact that they likely won't be able to capture the entire market, or even most of it.

Opening up shop in a different area however, can allow you to master your industry and dominate the market. Plus, the lack of clutter and distraction of competitors can do wonders in terms of fast-tracking your readiness for entry into more competitive markets in the future.

4.

Embracing unique challenges will make your company smarter

By choosing to launch or prioritize markets other than the United States, entrepreneurs can seize the opportunity to take on new challenges that they wouldn't otherwise encounter, forcing them to think creatively and become better at problem-solving—skills that any successful startup will need as it grows.

After deciding to bring Vonetize's SmartVOD to over 30 countries in Africa, we quickly realized that although internet connection in those areas wouldn't be problematic, we faced an unexpected challenge: the financial infrastructure in the region isn't established enough to allow consumers to pay for our service via credit or debit cards. Instead of backing down from this seemingly insurmountable obstacle we innovated a solution and successfully built an operation revolving around the sale of vouchers in physical stores so that consumers could pay in cash and then merely input a code onto their devices to access our service.

Though some perspectives deem the world shrinking more than ever, for entrepreneurs the world is bigger than ever and free for the taking—in terms of launching a business, at least. As new technology makes it not only possible, but also desirable, to bring businesses to emerging markets, entrepreneurs should view the prospect as a chance to build their reputation and expertise, whether they choose to eventually expand to the United States or not.

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