

EXPORTING: RESEARCH DRIVES GLOBAL MARKETING

By Mark Drake | June 01, 2010



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Less than thorough research has been described as walking a tightrope without a net!

Selecting target markets from the world's 195 countries requires a diligent approach to preliminary research. Many countries can be ruled out immediately, and by checking import/export statistics you can come up with a list of say 10 countries that are "possibles." Check on economic trends in these countries and assess any competitor-free ground floor opportunities in niche or specialized areas to shorten the list to five or so countries for more detailed analysis.

The fundamental question research must answer is whether your company has a competitive position (and preferably a distinct advantage) and can sell products in the chosen country at a profit once reasonable levels of market penetration have been reached. These factors will influence your decision:

The economy. Is the market growing or at least stable? If the market is in decline, will it rebound soon?

Security and red tape. What challenges are there in terms of excessive bureaucracy and unethical practices (such as corruption) and crime rates? How difficult is it to do business there?

Access. How far away is the market? How will that impact transport and other related costs?

Infrastructure. What is the level of basic services such as road, rail, port, power and communications facilities, including broad band internet?

Language. How easy will it be to operate in the country? Are English, French or Spanish widely spoken as second languages? What translation and interpretation costs may be incurred? It's generally easier to do business in Malaysia than in Myanmar and in Brazil rather than in Belarus.

Demographics. Average age and income levels may be important. Many developing countries have young and growing populations.

The internet has made preliminary and even detailed searches immeasurably easier. The following can be located from your desk:

- **Country reports, either general or focused.** The Economist offers excellent general country or sector information. The Northern Miner will have something a little more focussed.
- **Competitors' web sites.** Careful study will reveal the extent of their activities and professionalism.
- **Specialized reports on markets/sectors.** These are available on line from many sources, including Export Development Canada (www.edc.ca), Foreign Affairs and International Trade (www.international.gc.ca), The Trade

Commissioner Service (www.infoexport.gc.ca), from business associations, bi-lateral trade councils and from research departments of major finance and legal companies. Foreign embassy websites will have links to organizations in their home countries with market reports.

• **Search engines.** Most of us go to Google first but the Forum for International Trade Training (www.fitt.ca) suggests some other interesting sites to check: www.alacrawiki.com for industrial trends—it's user-generated like Wikipedia; www.techorati.com a web log site with a large specialist data base; and www.marketresearch.com, which has specific market research reports and useful abstracts. Go to Google "International Market Research" for other sites.

More information can be obtained from personal contacts with immigrants from the countries concerned—an advantage of Canada's multiculturalism—and from companies that are already active there. Canadian Trade Commissioners are also a very useful source of preliminary information, particularly for the "intangible" background conditions in the country.

All of this should prepare you for the next step—a preliminary marketing plan for a chosen market.

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