

## TARGET MARKET ACCESSIBILITY

How easy or difficult will it be for you to introduce your product or service to a particular market? You should consider:

- whether or not there are any restrictions on imports through taxes, import duties or quotas. What are the country's policies and attitudes toward imports from Canada?
- the access for and acceptance of foreign products or services;
- existing currency controls — is the currency convertible and are there bilateral or multi-lateral agreements that favour the goods and services of other countries?

## SALES POTENTIAL

The level of demand and long-term potential sales may be influenced by:

- competition your company faces from present and future domestic supply;
- price differential between your product or service and those of the competition;
- emerging trends by volume, value and country of origin;
- general market's acceptance of, or resistance to, new products and services;
- need to win customer acceptance by adapting your product or service to accommodate local preferences and regulations in size, quality, packaging, etc.

Most small Canadian companies that are just beginning to export start with the United States. Proximity is one factor, but Canadian firms can

also take advantage of close cross-border business ties, a common language and culture as well as similar consumer tastes and business practices. In addition, the North American Free Trade Agreement (NAFTA) has liberalized trade between the two countries making it easier for first-time exporters to enter the market.

Taking part in a trade fair or exhibition is a relatively inexpensive way for a Canadian company to begin exploring a foreign market. A few days at a trade fair will give you a feel for products and prices, as well as the style and sophistication of potential competitors.

Establishing personal contact through these events is often the best way to enter an export market. It is a good opportunity to speak to the people in charge and to see products firsthand. (*See Annexes II and III.*)

Federal, provincial and municipal governments and a variety of business groups sponsor trade missions that can be invaluable in opening doors to foreign markets. Mission organizers handle many of the logistical details, leaving you free to concentrate on business. (*See Section 11, Sources of Assistance and Information.*)

The Market Evaluation Matrix worksheet on the following pages itemizes all of the steps involved in researching and selecting your target market(s).

Now that you have selected your market(s), the next step is to choose a suitable entry strategy.