

If sales have been limited to local customers, or to just a single Canadian region, the firm may be better advised to channel its energies into penetrating other Canadian regional markets. Exporting will be easier once the firm has been successful elsewhere in Canada or in adjacent American markets. If the firm has previously exported on an intermittent basis, or sold through a Canadian-based intermediary such as an export trading company, it may have acquired the experience needed to make exporting an ongoing part of the business.

A COMPETITIVE PRODUCT OR SERVICE

Determining whether the product or service is suitable for sale abroad starts with an evaluation of its competitive strengths and weaknesses in existing markets. Who buys the product or service in the Canadian market? What needs does the firm satisfy for existing customers? What do they value about it? What are its strengths and weaknesses vis à vis competing products and/or services in the home market?

These questions go to the heart of the actual demand for the particular product or service. If the firm lacks a clear understanding of these issues it is almost certain to encounter problems in determining whether the product or service is transferable to Mexico.

Understanding the competition is essential. Is the firm's competitiveness in existing markets based on price, quality, timeliness, delivery, or after-sales service? Can the firm's competitive edge be duplicated in Mexico in relation to a different set of competitors? If not, the likelihood of export success is slim. Are current domestic competitors also involved in the Mexican market? If so, have they made changes to their products or services to adapt to conditions there?

Other questions should also be asked about the product or service before deciding whether it is exportable. For example, does the product or service embody advanced technology? Is that technology proprietary? In order to use it to its fullest potential, does the product require specialized knowledge or training? Are options or accessories available for it in Mexico or must they be imported? Does it require after-sales service?

It may be necessary to modify a successful Canadian product to compete in the Mexican market. Labelling must be developed to conform to Mexican requirements. Packaging may have to be altered to accommodate climatic differences or local preferences. Products must also conform to Mexican health, safety and environmental standards.