

4. SELECTION

This phase consists of conducting in-depth market research of one or more promising markets to determine the target geographic market, to identify if there is good potential there, and to ascertain how business should be conducted for the best results. The following information can be collected for one market or else be developed for several simultaneously. The results can then be compared in order to identify the most attractive target.

BASIC MARKET INFORMATION

TARGET MARKET PROFILE

- How do you define the customers for your product or service in the target market? Who are they? Is this an exclusive definition? Can it be broadened by modifying the product or service to capture a larger group of customers?
- What are the attributes of customers for your product or service in the target market in terms of demographics, purchasing behaviour, influences, price sensitivity and time requirements?
- How do the potential customers in the target market differ from customers in the home market?
- How big is the market in terms of total shipments and consumption? Is it growing?
- What share of the market is controlled by domestic suppliers? How much is accounted for by foreign-owned or foreign-controlled suppliers or importers? How successful are each of these competitors? Is their share growing or contracting? Why?
- Are there any companies that dominate the market? If so, what is their market share and country of origin? Who are their customers? Are they the same as yours?

MARKET STRUCTURE

- How many firms compete in the market? Are they large or small? Are they foreign or domestically owned? Are they public or private? Are they concentrated in a few centres or dispersed throughout the market? Are partnerships common? If so, what type? Is there a horizontal or vertical integration of firms? What are the outsourcing patterns and purchasing cycles?
- Is the market deregulated? Are there tariff or trade restrictions?
- What considerations from the environmental scan are particularly noteworthy, for example labelling, packaging or social customs?