

- General economic and political situation.

Market Analysis and Research

Study the market you are interested in, and take note of such things as demographics, ethnic population, food trends, average household size, household income, median age, blue collar or white collar, and predominance of types of advertising, whether newspaper, television or radio. Who is your competition? Take a close look at the manufacturing/industrial base in your target markets and the distribution patterns of majors elsewhere in the country. Check the number of supermarket chains and independents, convenience stores, specialty stores and try to determine their market share, percentage of sales per household and per capita. Check foodservice/HRI opportunities. How many hotels and restaurants are there? Is it an even mix of five star and budget, or does one kind of establishment predominate? Why do you want to sell in this market? Can you fill a niche? Is your product "right" for this region? Avoid the pitfalls resulting from jumping in headfirst. Do your homework.

Visit your target market, set up appointments at the local Canadian Consulate General, walk the stores, check the shelves, look at prices, assess the competition on packaging and presentation, make "courtesy call" appointments with store managers, department buyers and distributors. These are exploratory calls only; you can "talk business" once you have taken heed of the following:

The beginning exporter should keep in mind that the biggest and most prosperous market may not be the best place to start because the competition is likely to be stronger in the "best" market. Bearing this in mind, the next stage of the process is to conduct in-depth market research on the two or three most promising markets identified by the preliminary study. These may be cities, countries, or regions. This study should cover such matters as:

- Purchasing power and buying habits
- Current demand and growth potential

- Import taxes, duties, valuation, quotas, licenses and deposits
- Import statistics and trends
- Domestic production of similar products
- Price difference between domestic and imported products
- Mark-ups at all levels
- Market control
- Acceptability of new products
- Pricing basis preferred and methods of selling
- Terms of payment
- Packaging and labelling requirements
- Health, safety and technical standards
- Regulations pertaining to food additives and levels of pesticide residue
- System of buying
- Normal distribution channels
- Sales promotion
- Stock levels
- Transportation costs, routes and availability
- Documentation and insurance requirements

Market Evaluation Trips

The final stage in the process of choosing a market is the field trip. While not absolutely necessary, a visit to the foreign market to confirm the research findings, meet potential customers and generally get a feel for the conditions is desirable. The trip can be undertaken individually, perhaps with government financial assistance, or as part of a government or industry trade mission. Note: Exporters wishing to join a trade mission should contact the appropriate government departments well in advance to learn of the forthcoming work program, as the missions are often booked a year ahead.

A systematic approach to entering the market will improve your chances of success and maximize your efficiency.

1. Visit the Market. It is crucial to know as much as you can about the competition and about distribution channels and