•What is the product's life cycle in the target market?

•Is special packaging required?

•What is the extent of the competition? (competition defined as other producers of the same products and competing products, both existing and potential).

•How will the competition respond?

The analysis should always emphasize the needs of the customers, asking not "what is convenient to sell" but "what will they buy"? Products that are suitable for export will often have a high domestic market share, be very profitable or have some inherent competitive advantage. Nevertheless, the ability and willingness to adapt a successful product may be crucial to penetrating a new market.

Before you make a commitment to exporting, you must know that the U.S. market is competitive and costly. It will require a great deal of money, commitment, and time - perhaps as long as two years before you begin to feel "comfortable". Does your company have the necessary management, marketing and operational strengths to make this commitment?

The Export Manager

The decision to export should be made as a commitment to a continuing program with an adequate budget. The commitment should be on the basis of a set quantity of product each year or a set percentage of overall production. Exporting will be unsuccessful if it is done on a "one-shot" basis, when surpluses exist. In short, the foreign market should be given a status commensurate to its contribution to sales.

While it may not be necessary to establish an export department, one person should be appointed to administer the program and given the necessary support. The role of the "Export Manager" is to establish an export marketing plan and sales target to serve as a guideline for all activities. (The target should be reasonable so as not to threaten the company's resources.)

The Export Manager also selects, trains, and deploys the sales team, develops sales tools, directs the sales process, assesses prospects, sets priorities and develops and updates strategies.

In addition, the Export Manager is the appropriate person to participate in trade associations, fairs, and missions. He/she would also be involved in customer relations, product development, packing and shipping and all other activities outlined in this handbook. He/she is the contact point for bankers, forwarders, shipping lines, foreign agents and distributors and brokers.

Choosing a Market

Whether a company has decided on its own to start exporting, or has been prompted by a request from a foreign buyer, it should conduct careful market research before taking the plunge. The mere fact that a customer is interested does not guarantee that there will be a profit in selling. A company that lacks the expertise or resources to conduct its own market research can engage consultants who specialize in that field. The Trade Commissioner Service of External Affairs and International Trade can also do a limited amount of research on behalf of private enterprises.

Preliminary research should be done to identify a few potential markets, after which the most promising areas should be studied in greater depth. The preliminary research should include the following:

- Size of the market
- Transportation factors (distances from ports to cities, condition of roads, etc.)
- Climate and terrain
- Size and distribution of population and rate of growth
- Income per capita and its distribution
- Level of development
- The competitive environment
- Potential demand
- Market accessibility (trade agreements, tariffs, quotas, etc.)