

## 16.0 SUMMARY AND CONCLUSION

This study has been produced mainly for the medium and smaller sized companies in the computer industry. The study has shown that there is clearly serious interest in Canadian computer products in the Southwestern U.S. The study has indicated that there are several key weaknesses which seem to be common to many Canadian exporting companies. These weaknesses include lack of aggressiveness, poorly prepared market planning, inadequate literature and promotional material, insufficient follow-up and communication, and unwillingness of Canadian companies to work together to promote a market awareness of the Canadian computer industry.

Despite these common criticisms, isolated Canadian computer products are beginning to gain market acceptance in the Southwestern market area. Examples are micro-computers in the medium to upper price range, CAD/CAM systems, CRTs and video terminals, and high quality impact printers. There are also possibilities for software and a number of Canadian software producers are already supplying portions of the Southwestern U.S. market with special industry group software packages such as, farming and civil engineering, networking systems, emulation packages, and CAD/CAM software.

California is traditionally the U.S. leader in the computer industry. This has created a high degree of computer awareness throughout the Southwestern U.S. market region. The computer industry continually demonstrates its ability to accept and produce new technology. With technology changing approximately every two years, there is a constant demand for new and alternative products. From a Canadian point of view, the fact that the industry is fragmented has assisted in created product gaps which Canadians can fill. Intensive Japanese competition demonstrated throughout this report is making U.S. companies more responsive, if anything, to buying closer to home.

Market areas and end-users, manufacturers, distributors, turnkey systems companies, and retailers are clearly defined in the report. Most computer systems manufacturers purchase outside product and confine their manufacturing operation largely to assembly. They emphasize the need for Canadians to be competitive. Distributors offer possibly the best solution for most Canadian companies whose products are covered by this report. Price is a key factor with distributors but alternative products and in some instances more elaborate or "high-end" products are also needed. Turnkey systems companies do offer possibilities for computer sales but we advise Canadian companies to approach this market through distributors who know the entire field and its specific requirements. A number of retailers we contacted are also receptive to Canadian products and manufacturers should not ignore this rapidly growing segment of the market. We recommend that Canadian companies approach retail customers through distributors.

We have provided outline market strategies designed to assist Canadian manufacturers prepare market plans for their products. The most important element in each case is the need to provide adequate representation. We suggest that Canadian companies investigate the possibilities thoroughly before launching an active market program. Time spent in the beginning phase will lead to better results as marketing progresses.

Canadian companies must be aware of major trends in the U.S. and world computer industry and participate if there is to be a widespread acceptance of generic Canadian computer products. There are clear indications that the computer industry in Canada should concentrate on producing specialized products designed to fill gaps which have been created by the Japanese and U.S. computer industries. In order to fully realize this potential in the medium and long term, continuing research and development will be necessary.

This report has been produced to provide Canadian manufacturers with background and market information which will assist them in increasing Canadian exports to the Southwestern U.S. and other parts of the U.S. market.