

CHAPTER 2. EVALUATING THE MEXICAN MARKET

WHAT TO LOOK FOR

If preliminary analysis suggests that doing business in Mexico is a realistic possibility, it is time to shift the focus to the Mexican market itself.

Before deciding to enter the Mexican market, the firm must find out about it. Success will depend on knowing about technological sophistication, cost, quality, and the ability to sell to specific market niches. It will need to know what the competition is like. It may also want to put some effort into product modification, marketing or advertising to better position itself in Mexico.

Begin by examining the market research checklist. It contains many of the issues that will determine a company's prospects of succeeding in the Mexican marketplace. Abundant information exists from both public and private sources, as well as the general help that is required in order to do the firm's unique market research.

The answers to these questions will shape the strategic analysis that will suggest the best way of entering the Mexican market.

A RESEARCH CHECKLIST FOR THE MEXICAN MARKET

GENERAL ISSUES

DEMOGRAPHIC

- population and market size
- population density and distribution

PHYSICAL

- climatic factors
- shipping distances (especially relevant for perishable and expensive-to-transport products)
- physical distribution and communication networks
- communications infrastructure (phones, faxes, modems, e-mail facilities) and overall technological sophistication