

The most appropriate entry route for your company will depend on the characteristics of your sector, your financial constraints, and your company's organisational skills. According to the companies interviewed, each route has its intrinsic advantages and disadvantages. Some of the perceived advantages and disadvantages of each option are listed below.

PRO'S AND CON'S OF ENTRY ROUTES CHOSEN

AGENTS

Pro's

Simplicity: No responsibilities, no investment, no recruitment, no office to find, etc.

Easy way to test acceptance of your products in a new market

Con's

Reduced profits because of the commission that you must pay

Unless exclusivity deal, agents not as keen as you on selling your product, if other lines held offer higher margins

In many cases, agents do not have the knowledge and expertise to sell high tech products

SALES OFFICE

Pro's

Good way to get familiarised with unknown market

Allows expansion from single country base into other European countries for those products where transportation costs are low and buyers don't require just-in-time delivery

Gives more control on sales than with an agent

Con's

Potential transportation and customs clearance problems