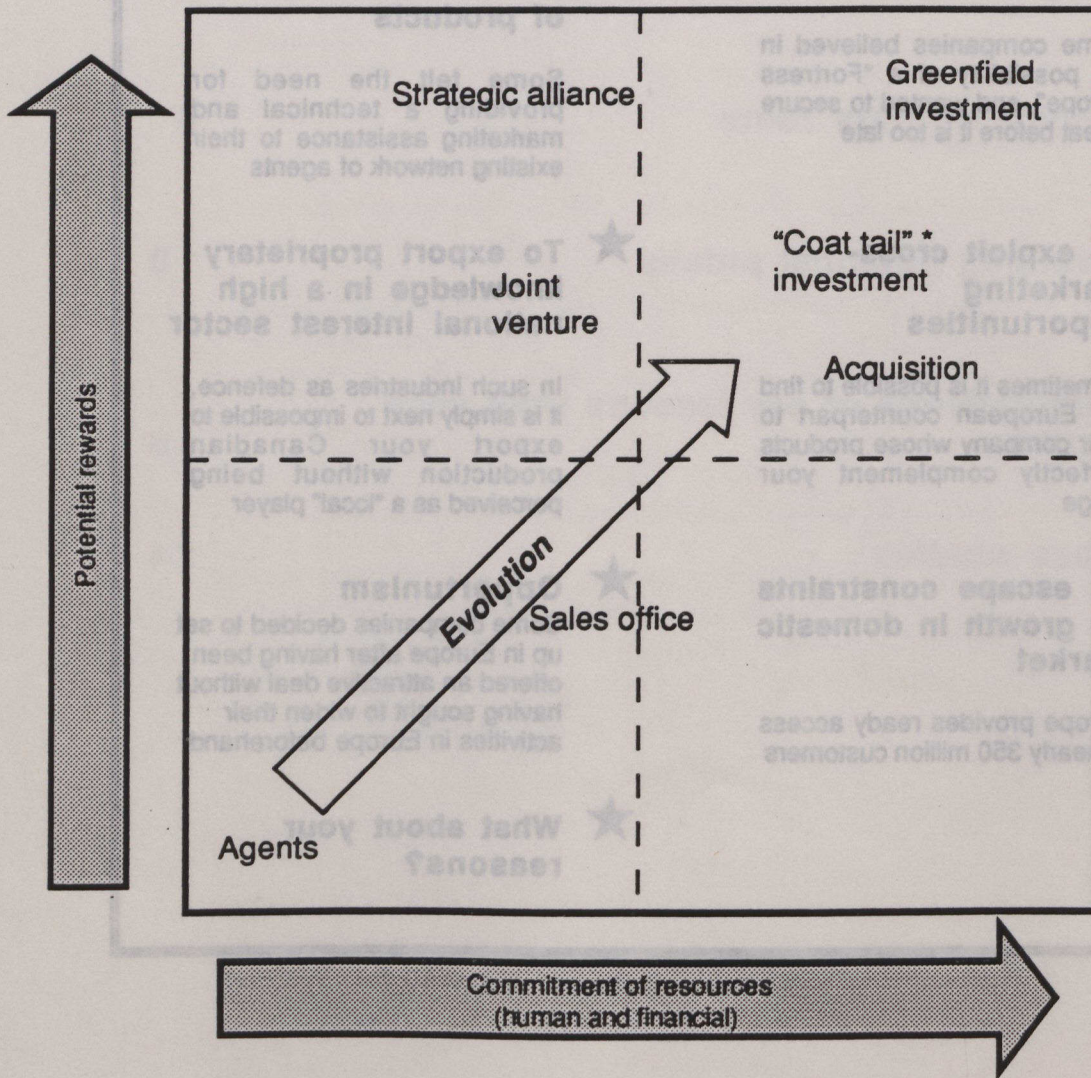


2. CHOICE OF ENTRY ROUTE

There are many routes to European market entry, and seven were used by the companies studied. These routes offer different degrees of financial and human commitment, and potential rewards (other factors being equal), as indicated on the matrix below.

Some companies used agents to test the acceptance of their products in the market in a low risk way. Their presence then evolved through a sales office, and perhaps joint venture. The choice of market entry route should be thought of as a dynamic rather than a static process. Thus when choosing the first step, it is wise to have in mind the potential evolution.



*"Coat tail" investment: regular suppliers of Canadian organisations following their clients to Europe.