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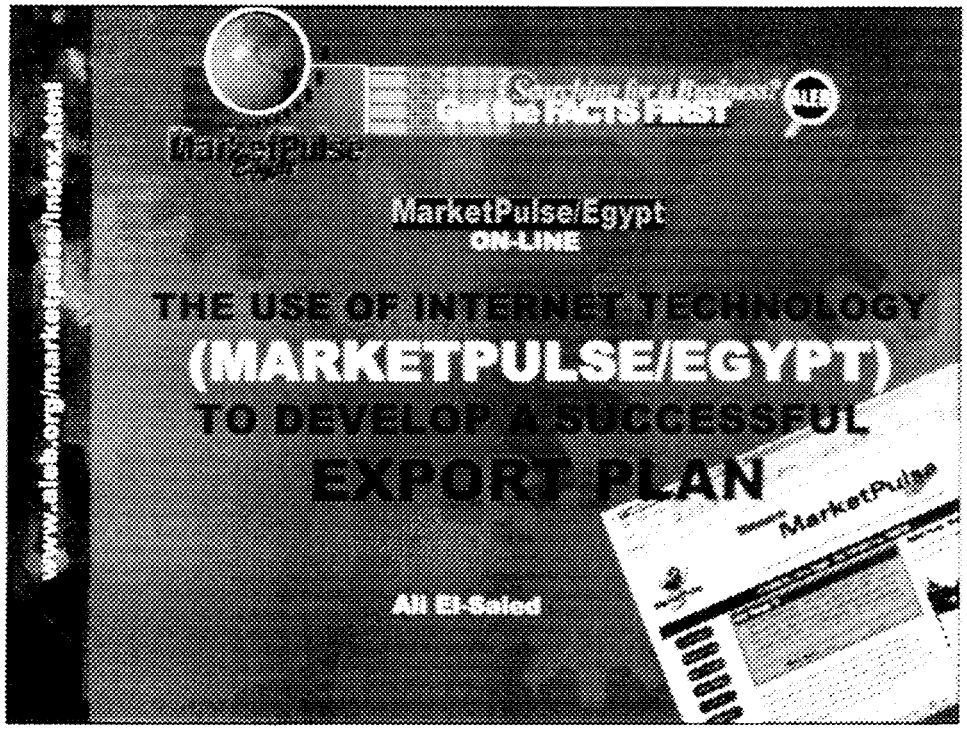

www.alsb.org/marketpulse/index.html
MarketPulse
Get the FACTS FIRST
MarketPulse/Egypt
ON-LINE
THE USE OF INTERNET TECHNOLOGY
(MARKETPULSE/EGYPT)
TO DEVELOP A SUCCESSFUL
EXPORT PLAN
Ali El-Saied
MarketPulse

Managing
the
minefields
of
global
product
development
Tips on international market
research for global new products

The internet has proven to be highly versatile tall for market research data collection, capable of saving time and money compared with conventional method

www.atob.org/marketguide/index.html

Definition of Marketing

There are many definitions of marketing. One of the most practical ones comes from the United Kingdom (U.K.) Institute of Marketing which defines marketing as

"the management process responsible for identifying, anticipating and satisfying customer requirements profitably".

www.atob.org/marketguide/index.html

Definition of Marketing

The term "marketing" should not be confused with advertising, sales, promotion; in fact, marketing is the strategy which drives these processes which all result in communicating a message to the target audience. It is important to fully understand customer needs, a task which is normally accomplished through in-depth market research.

www.pleb.org/marketpulse/index.html

The Marketing Concept

The marketing concept rests on the importance of customers to a firm and states that:

- All company policies and activities should be aimed at satisfying customer needs, and
- Profitable sales volume is a better company goal than maximum sales volume.

www.pleb.org/marketpulse/index.html

www.alob.org/marketpulse/index.html

The Marketing Concept

To use the marketing concept, businesses should:

- Determine the needs of their customers **(Market Research)**;
- Analyze their competitive advantages **(Market Strategy)**;
- Select specific markets to serve **(Target Marketing)**, and;
- Determine how to satisfy those needs **(Market Mix)**.

www.alob.org/marketpulse/index.html

Developing an Export Plan

The Importance of an Export Plan

Developing an export plan is vital for any company it helps the communicate your export ideas to others clearly and easily. Writing the plan out can help you analyze strengths and weaknesses, identify export responsibilities, and schedule milestones.

www.alob.org/marketpulse/index.html

Developing an Export Plan

An export plan can help you explicitly state your:

- reasons and commitment to export
- long and short term goals
- product and company readiness
- primary and secondary target markets
- export strategy
- details of pricing, payment and delivery
- and finance options

Developing an Export Plan

What You Need to Know to Develop an Export Plan

- Assess Your Export Potential
- Research Your Market
- Develop An Export Strategy
- Focus on the Details
- Understand the Rules of Trade
- Financing Your Exports
- Schedule Success Milestones

Developing an Export Plan

Research Your Market

Businesses with focused export plans targeting potential industries, countries and markets have higher success rates with exporting. Researching your market, industry and potential country to which you will export will help you predict product demand, identify competition, and examine necessary product modifications. Market research is the second most important component of an export plan, following the identification of product and company export readiness.

Developing an Export Plan

Develop An Export Strategy

When you develop an export strategy, you plan how you go about entering into a foreign market, and finding trade leads and overseas representation. As an exporter you may want someone else to interface with the customer—hence the need for an agent or distributor. However, you may decide to operate the business without a middle person, hence you will need to think about promoting the product abroad, as well as servicing the product by alternative means.

International Market Research

International market research is the gathering of information necessary to make sound international marketing decisions. International market research reveals the political, economic and cultural factors which affect operating in a foreign market. Effective market research facilitates the market selection process and enhances your chances for a successful export venture.

MARKET RESEARCH

To be successful, exporters must assess their markets through market research. Exporters engage in market research primarily to identify their marketing opportunities and constraints within individual foreign markets and also to identify and find prospective buyers and customers.

Market research includes all methods that a company uses to determine which foreign markets have the best potential for its products. Results of this research inform the firm of

- the largest markets for its product,
- the fastest growing markets,
- market trends and outlook,
- market conditions and practices, and
- Competitive firms and products.

Types of Market Research

There are two main types of market research: *primary* and *secondary*.

Secondary

research involves the use of data previously collected by other sources. Typical sources of such information include databases, periodicals, studies, books, surveys and statistical analyses, many of which are available via the Internet.

Primary

research consists of the collection of market information and intelligence through direct contact with potential customers or other information sources. Primary research may be costly and time-consuming but, it enables you to collect very specific and detailed information.

When conducting secondary market research, a company collects data from compiled sources, such as trade statistics for a country or a product. Working with secondary sources is less expensive and helps the company focus its marketing efforts. Although secondary data sources are critical to market research, they do have limitations. The most recent statistics for some countries may be more than two years old. Product breakdowns may be too broad to be of much value to a company. Statistics on services are often unavailable. Finally, statistics may be distorted by incomplete data-gathering techniques. Yet, even with these limitations, secondary research is a valuable and relatively easy first step for a company to take. It may be the only step needed if the company decides to export indirectly through an intermediary, since the other firm may have advanced research capabilities.

METHODS OF RESEARCH

Because of the expense of primary market research, most firms rely on secondary data sources. Secondary market research is conducted in three basic ways:

- By keeping abreast of world events that influence the international
- By analyzing trade and economic statistics. Trade statistics are
- By obtaining the advice of experts

METHODS OF RESEARCH

By keeping abreast of world events

that influence the international marketplace, watching for announcements of specific projects, or simply visiting likely markets.

METHODS OF RESEARCH

By analyzing trade and economic statistics.

Trade statistics are generally compiled by product category and by country. These statistics provide the Egyptian firm with information concerning shipments of products over specified periods of time. Demographic and general economic statistics such as population size and makeup, per capita income, and production levels by industry can be important indicators of the market potential for a company's products.

How should you conduct secondary market research?

There are a number of ways to conduct secondary market research. For those that are not sure where to start, begin with the following:

- Conduct secondary market research by first classifying your product. Many trade statistics are compiled based on product classifications.
- With your classification codes in hand, reference statistical trade databases.
- Finally, wrap up initial research with a narrowed down list of appropriate markets that are realistic and feasible.

A STEP-BY-STEP APPROACH TO MARKET RESEARCH

1. Screen potential markets.

- **Step 1.** Obtain export statistics that indicate product exports to various countries. Foreign Trade Report: Monthly Exports and Imports.
- **Step 2.** Identify 5 to 10 large and fast-growing markets for the firm's product. Look at them over the past three to five years. Has market growth been consistent year to year? Did import growth occur even during periods of economic recession? If not, did growth resume with economic recovery?
- **Step 3.** Identify some smaller but fast-emerging markets that may provide ground-floor opportunities. If the market is just beginning to open up, there may be fewer competitors than in established markets. Growth rates should be substantially higher in these countries to qualify as up-and-coming markets, given the lower starting point.
- **Step 4.** Target three to five of the most statistically promising markets for further assessment. Consult with Commerce district offices, business associates, freight forwarders, and others to help [illegible] targeted markets.

A STEP-BY-STEP APPROACH TO MARKET RESEARCH

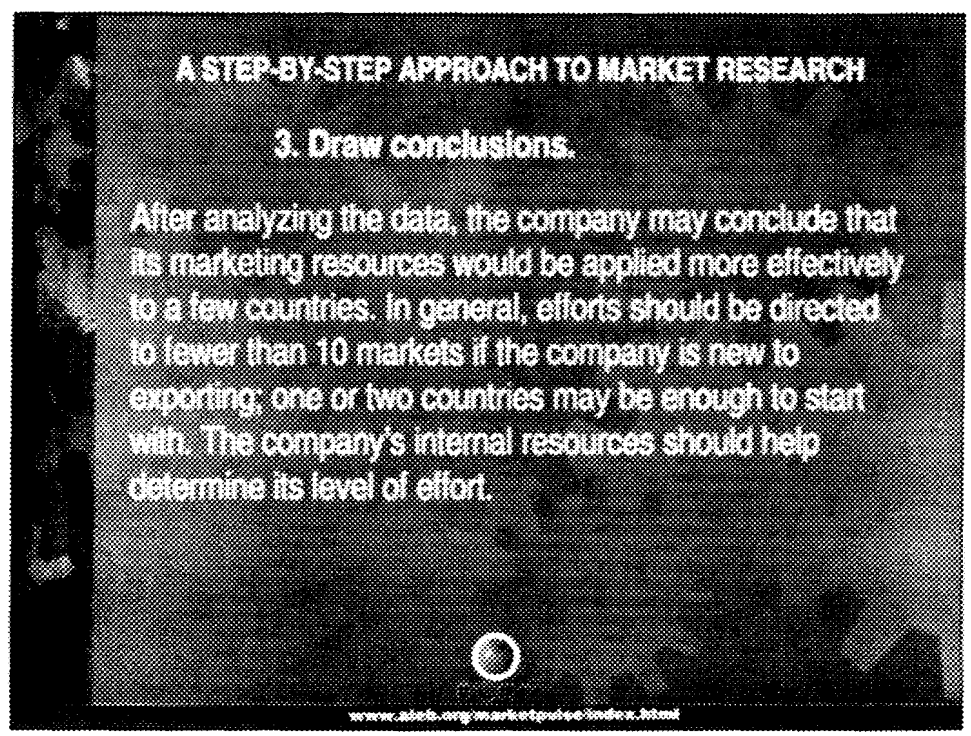
2. Assess targeted markets.

- **Step 1.** Examine trends for company products as well as related products that could influence demand. Calculate overall consumption of the product and the amount accounted for by imports.
- **Step 2.** Ascertain the sources of competition, including the extent of domestic industry production and the major foreign countries the firm is competing against in each targeted market.
- **Step 3.** Analyze factors affecting marketing and use of the product in each market, such as end user sectors, channels of distribution, cultural idiosyncrasies, and business practices.
- **Step 4.** Identify any foreign barriers (tariff or no tariff) for the product being imported into the country.
- **Step 5.** Identify any Egyptian or foreign government incentives to promote exporting of the product or service.

A STEP-BY-STEP APPROACH TO MARKET RESEARCH

3. Draw conclusions.

After analyzing the data, the company may conclude that its marketing resources would be applied more effectively to a few countries. In general, efforts should be directed to fewer than 10 markets if the company is new to exporting; one or two countries may be enough to start with. The company's internal resources should help determine its level of effort.



Researching Your Export Markets

- Market Size
- Market Growth
- Market Accessibility
- Political Climate
- Cultural Climate
- Environmental Factors
- Geographical Factors

Identify Potential Markets

- Where a product is being exported to
- Where a product is being imported from
- How much product (in dollars and quantities) is being shipped
- Product's trade history

Identify Potential Markets

- **Where a product is being exported to**

By looking at **where a product is being exported to**, you can identify markets into which like products are being sold.

www.[illegible]

Identify Potential Markets

- **Where a product is being imported from**

By looking at where a product is being imported from, you can identify both domestic and international competitors by country. Markets with many competitors may be worth entering given that the standards or quality of your product and how you service it meet certain needs. However, too much competition as you begin to export may make it more difficult and expensive to penetrate a given market. Instead, look at entering smaller markets where few competitors have set up shop. If competitors are doing well and you foresee market growth potential, you may have an opportunity to start at the "ground" floor and grow with the market.

www.[illegible]

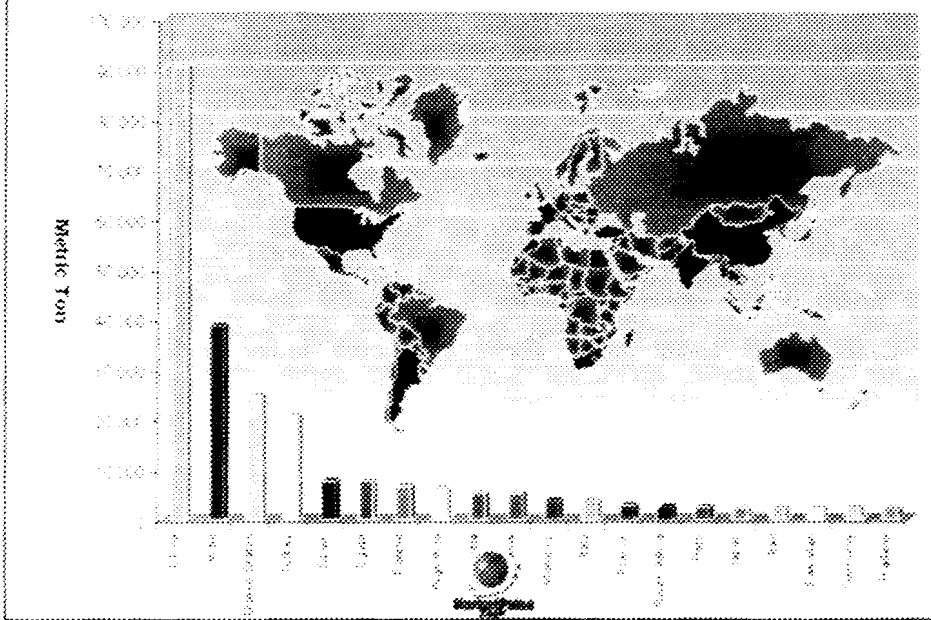
Identify Potential Markets

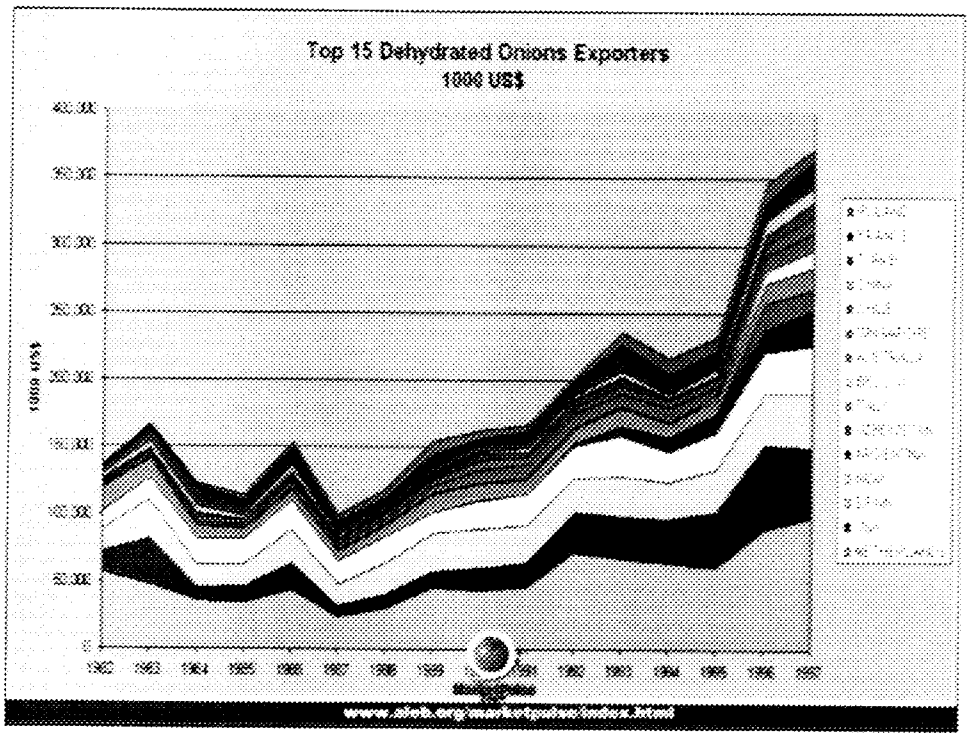
•How much product (in dollars and quantities) is being shipped

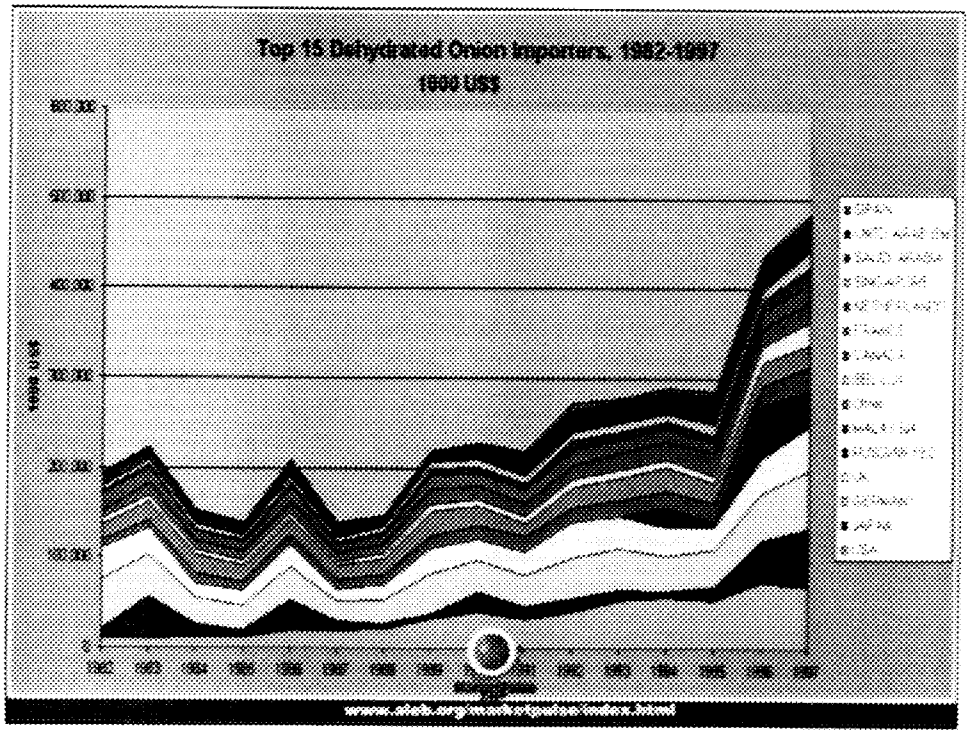
By looking at how much of the product is being shipped in dollars and quantities, you can estimate the actual size of the marketplace. Later, you will need to consider the market population holistically (by country), and determine the gross national product (GNP) statistics for each. Think about how much of the population is buying the product (factoring in the quantities shipped and the revenue generated). Is a small sector of the population purchasing most of the product? Or is a large number of the population exercising their purchasing power?

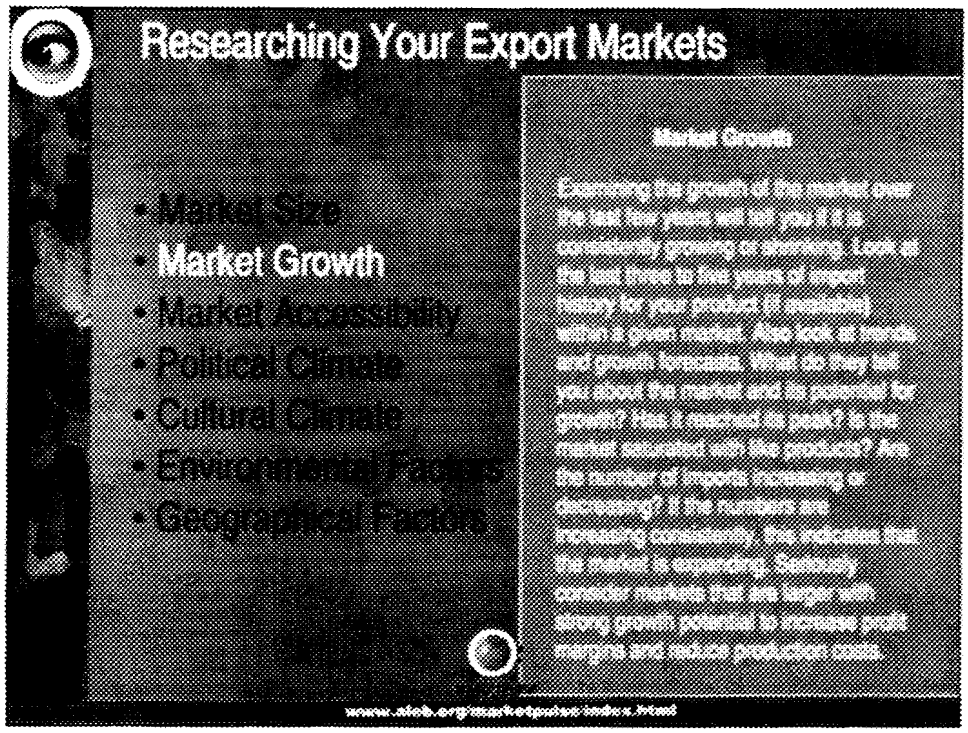
Dehydrated Onions

Total World Production 268.2 Thousand metric Ton




Top 15 Dehydrated Onions Exporters
1000 US$


Top 15 Dehydrated Onion Importers, 1982-1997
1000 US$


Researching Your Export Markets
• Market Size
• Market Growth
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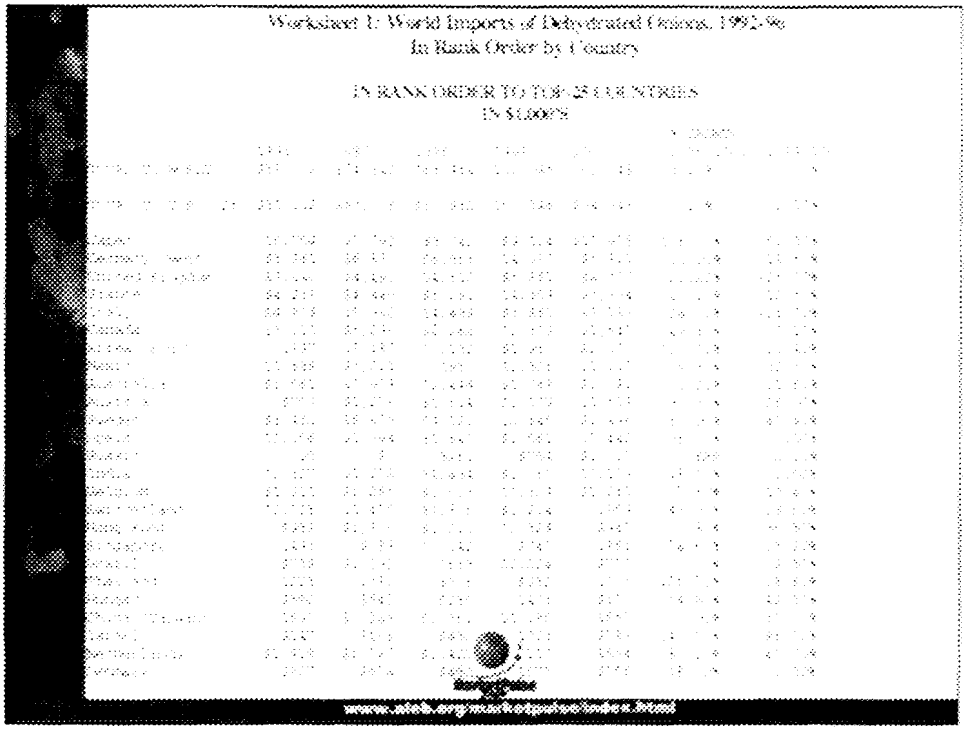
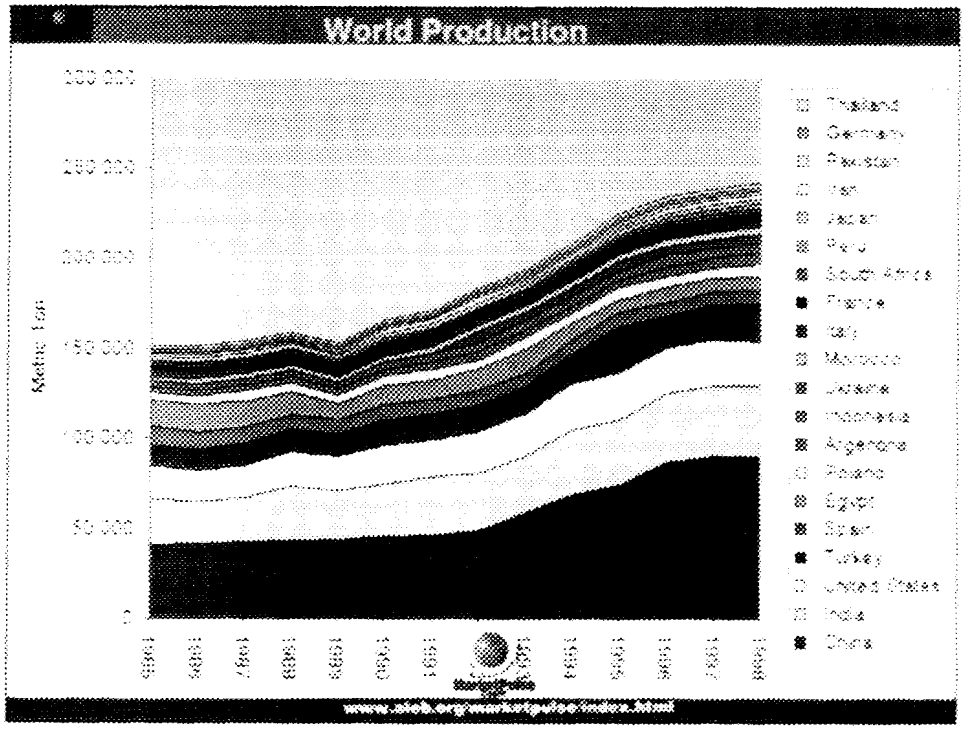
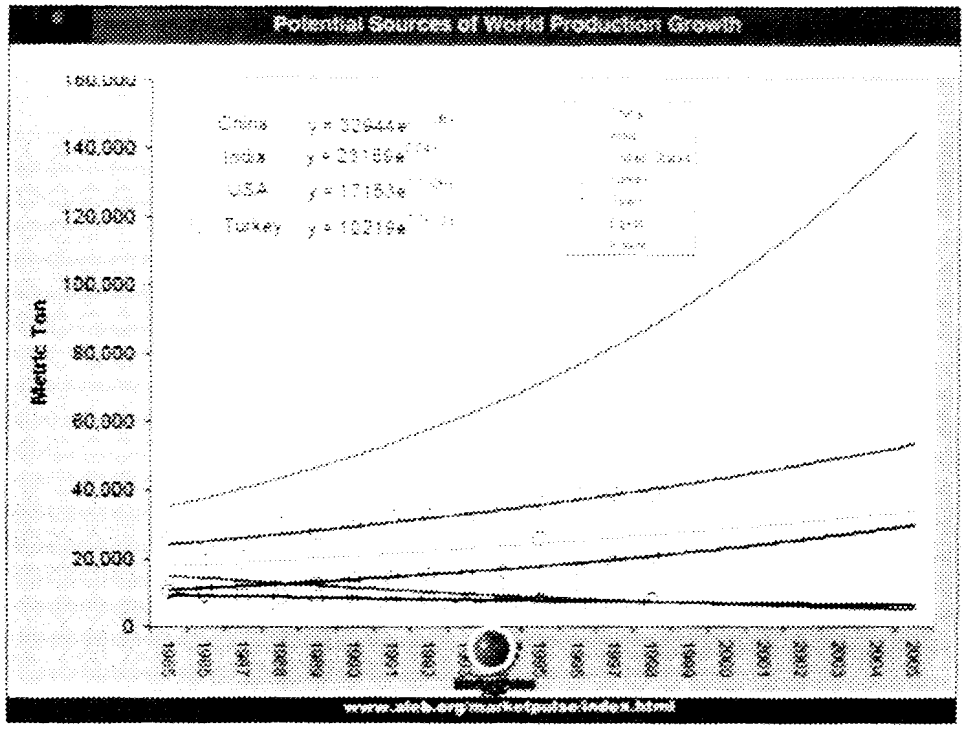
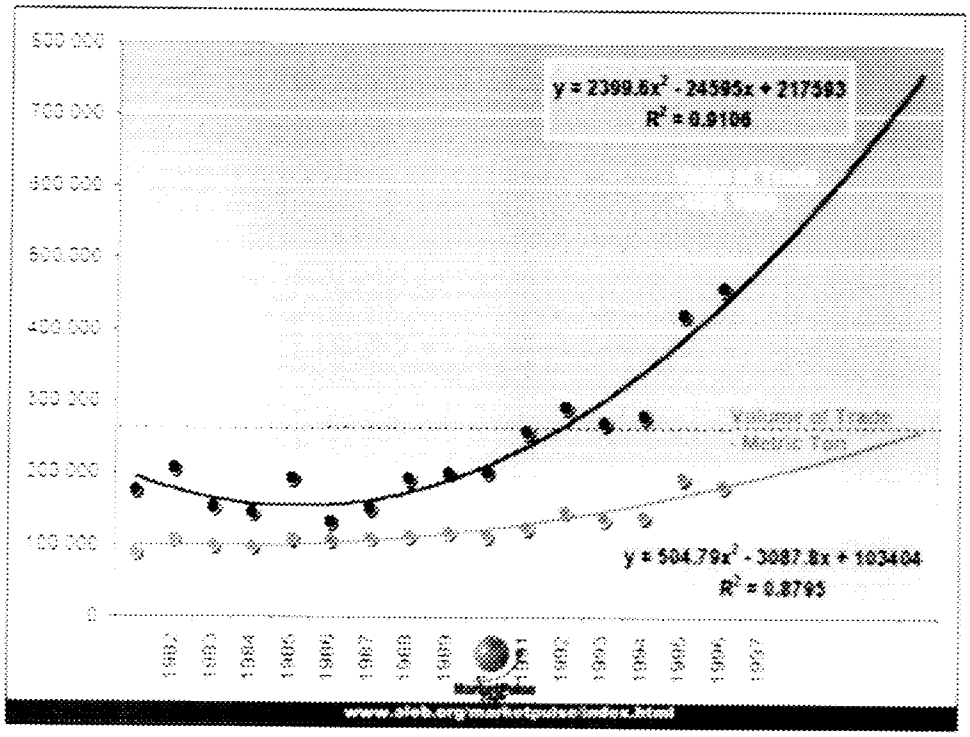
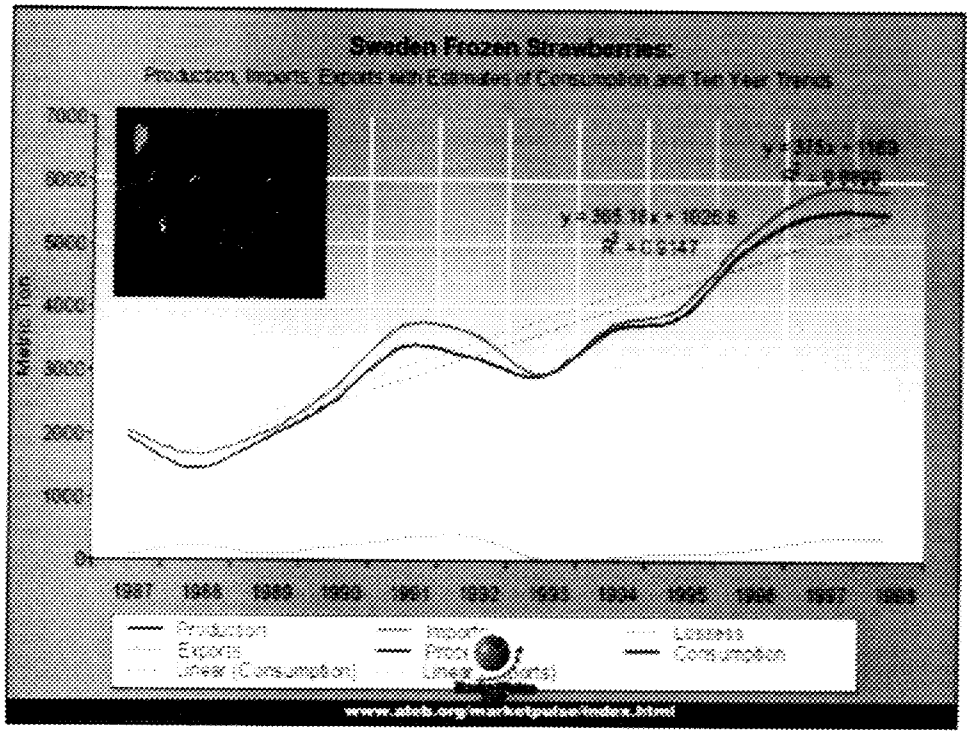
• Environmental Factors
• Geographical Factors
Market Growth

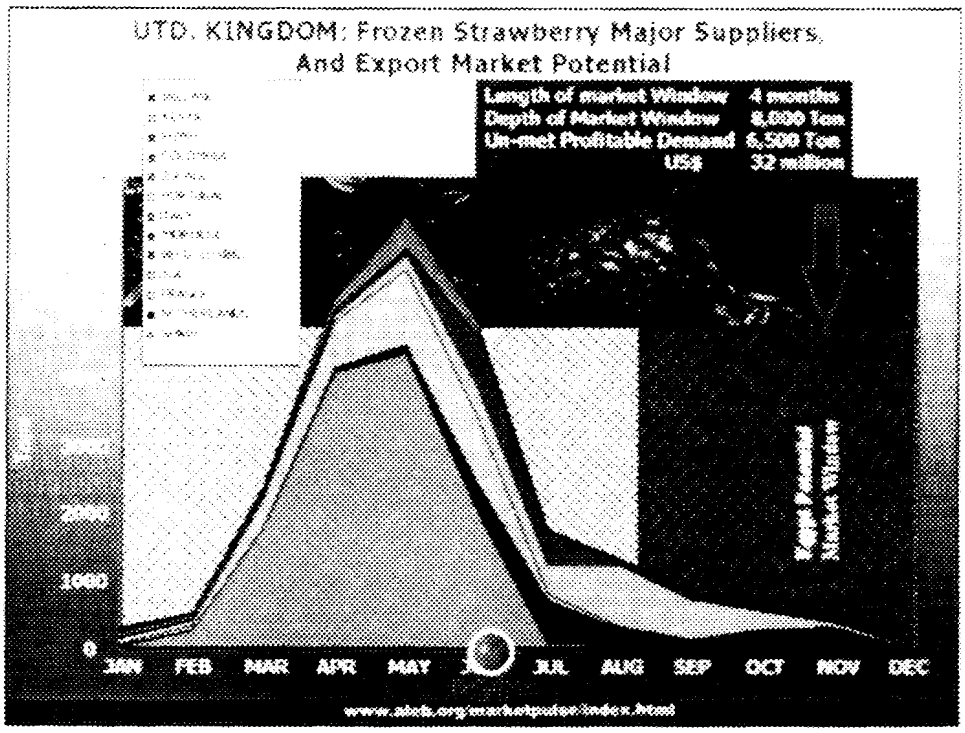

Worksheet 1: World Imports of Dehydrated Onions, 1992-96
In Rank Order by Country
IN RANK ORDER TO TOP 25 COUNTRIES
IN $1,000'S

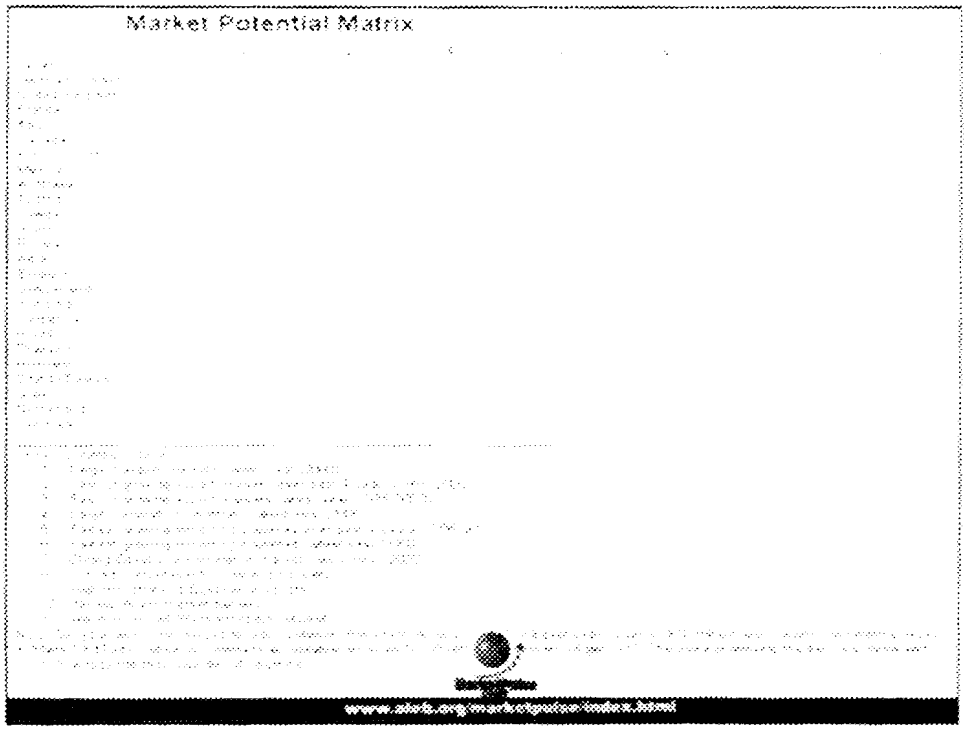

World Production
Metric Ton
Thailand
Germany
Pakistan
Iran
Japan
Peru
South Africa
France
Italy
Morocco
Ukraine
Indonesia
Argentina
Poland
Egypt
Spain
Turkey
United States
India
China

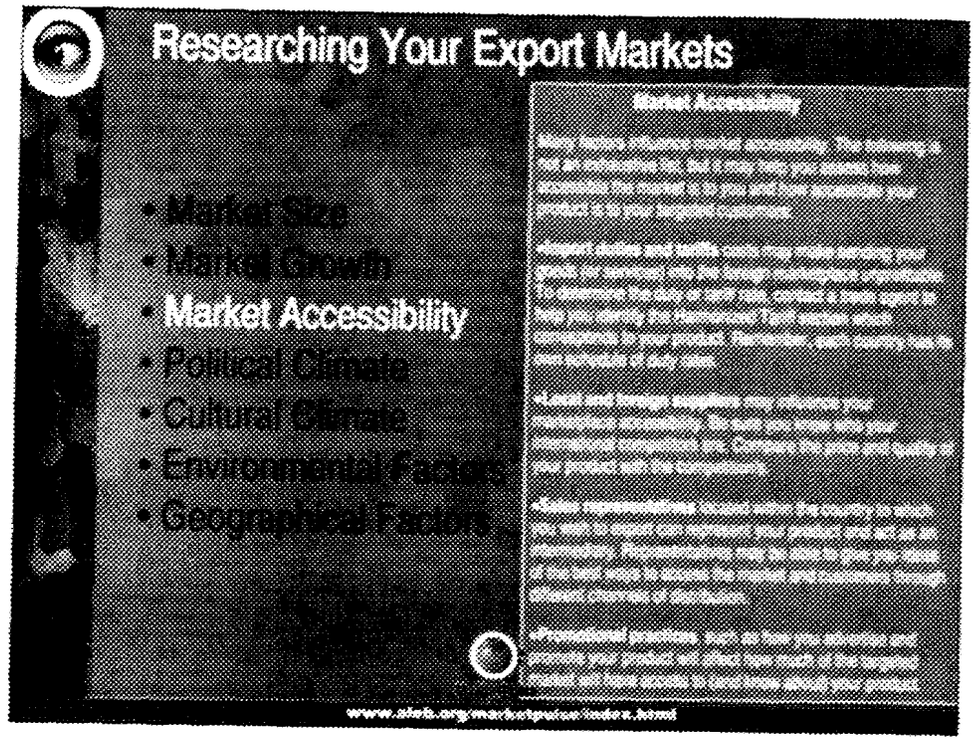

Potential Sources of World Production Growth
Metric Ton
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
China
India
USA
Turkey

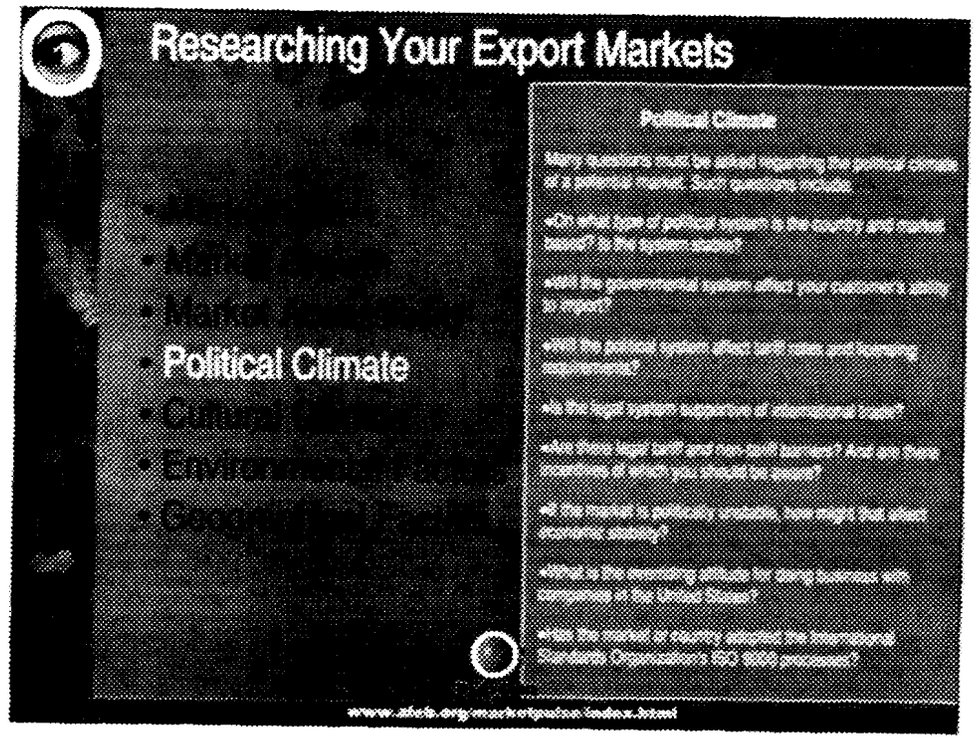

y = 2399.6x² - 24595x + 217593
R² = 0.9106
Volume of Trade
Metric Ton
y = 504.79x² - 3087.8x + 103404
R² = 0.8795


Sweden Frozen Strawberries:
Production, Imports, Exports with Estimates of Consumption and Ten Year Trends
Metric Ton
Production
Exports
Linear (Consumption)
Imports
Consumption


UTD. KINGDOM: Frozen Strawberry Major Suppliers,
And Export Market Potential
Length of market Window 4 months
Depth of Market Window 8,000 Ton
Un-met Profitable Demand 6,500 Ton
US$ 32 million
0
JAN
FEB
MAR
APR
MAY
JUL
AUG
SEP
OCT
NOV
DEC


Market Potential Matrix


Researching Your Export Markets
• Market Size
• Market Growth
• Market Accessibility
• Political Climate
• Cultural Climate
• Environmental Factors
• Geographical Factors


Researching Your Export Markets
• Political Climate

Researching Your Export Markets

- Market Size
- Market Growth
- Market Accessibility
- Political Climate
- Cultural Climate
- Environmental Factors
- Geographical Factors

Cultural Climate

With over 200 countries in the world, many have their own language, customs and culture. Being educated on the culture and values of your target markets will increase your success in the international marketplace.

Although the international business language is English, it may not be that way for long. It is to your advantage to speak the native language of your customer and understand his or her culture in order to communicate more effectively. Make sure you utilize your staff resources to their fullest to accomplish this task.

Customs and culture also affect consumption of goods. Factors like colors, numbers, and communication fit this category. For example, when considering product or promotional gift colors, keep in mind that white is the color of death in China and Korea, whereas purple is seen in the same light in Spain. In the U.S. yellow implies cowardice, whereas it taken on religious and mystical understanding in India. Study the cultural differences of the target markets and of your own. You may be surprised how a product that is fully accepted by a U.S. market is negatively rejected by its foreign counterparts.

Consider if product modifications are necessary to meet with cultural approval. Must you repackage your product to avoid social taboos?

www.aleb.org/marketpulse/index.html

Researching Your Export Markets

- Market Size
- Market Growth
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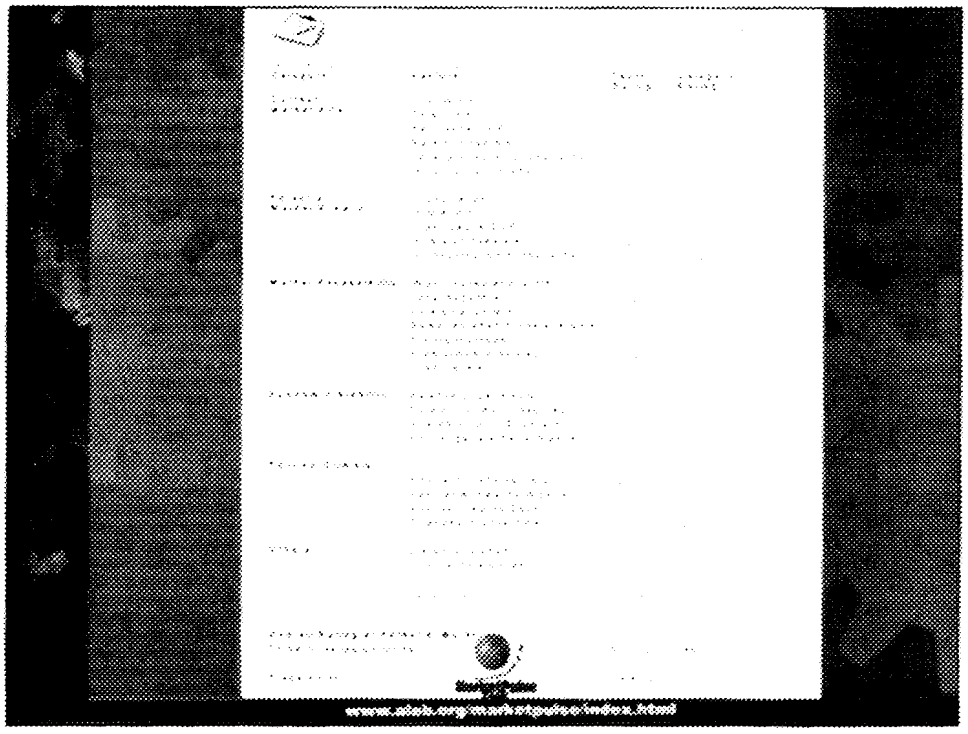
- Political Climate
- Cultural Climate
- Environmental Factors
- Geographical Factors

Environmental Factors

Environmental factors such as climate can influence modifications you must make to your product in order to sell it in a given market. Determine if humidity or other climate issues will affect the product performance or appearance as it is in transit or as it is used or consumed. Compare this data against the climate of each target market.

www.aleb.org/marketpulse/index.html

Researching Your Export Markets
• Market Size
• Market Growth
• Market Accessibility
• Political Climate
• Cultural Climate
• Environmental Factors
• Geographical Factors
Geographical Factors
Geographical factors can also affect your success in a given foreign market. Such factors include, transportation to the country of market and legal restrictions on travel. To enter a foreign market, a transportation system must be in place (i.e., there must be a way for you to get to your foreign customers). Keep in mind the longer and more remote the distance is to the market, the more the transportation and travel costs will be.



Internet Applications in Export Marketing

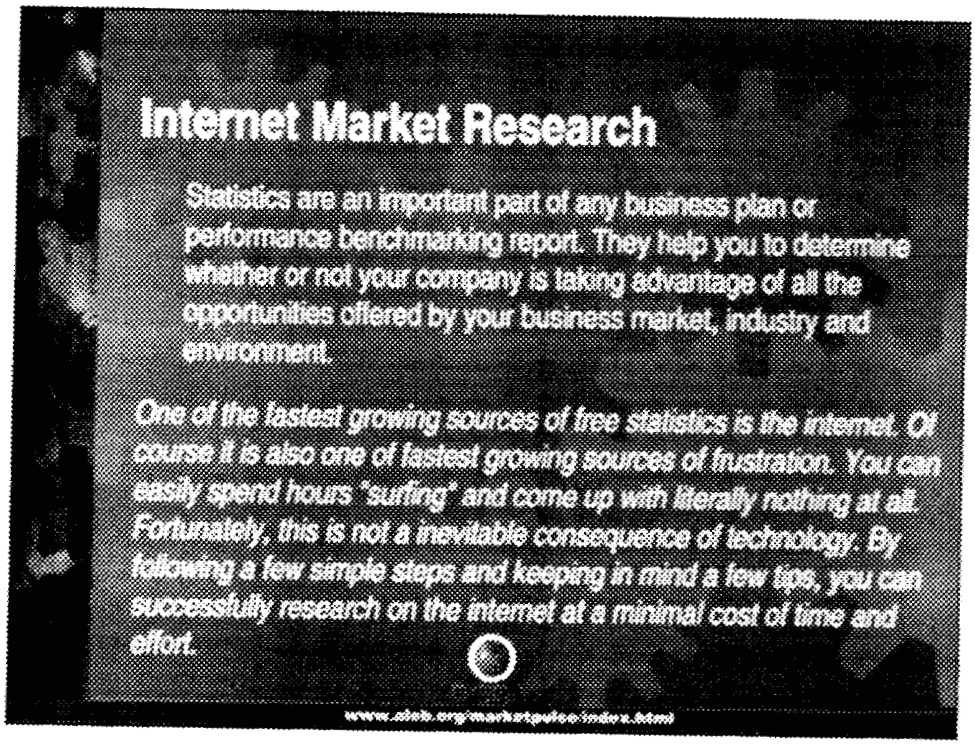
- Communications
- Export market research
- Global sales promotion
- E-Business

www.dieb.org/marketpulse/index.html

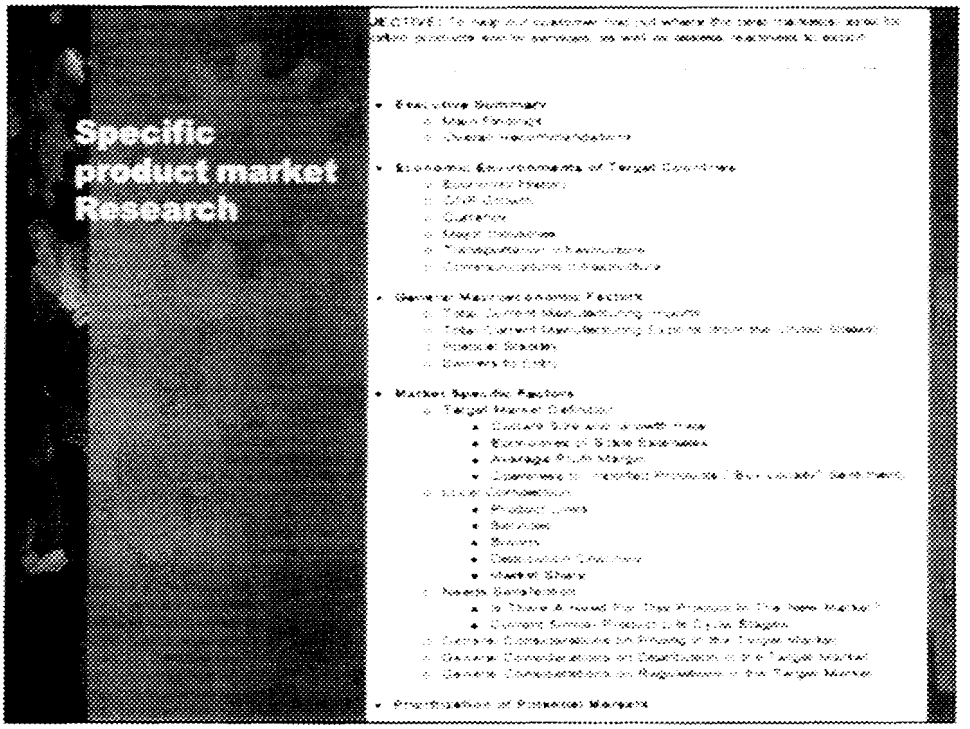
Export Market Research and the Internet

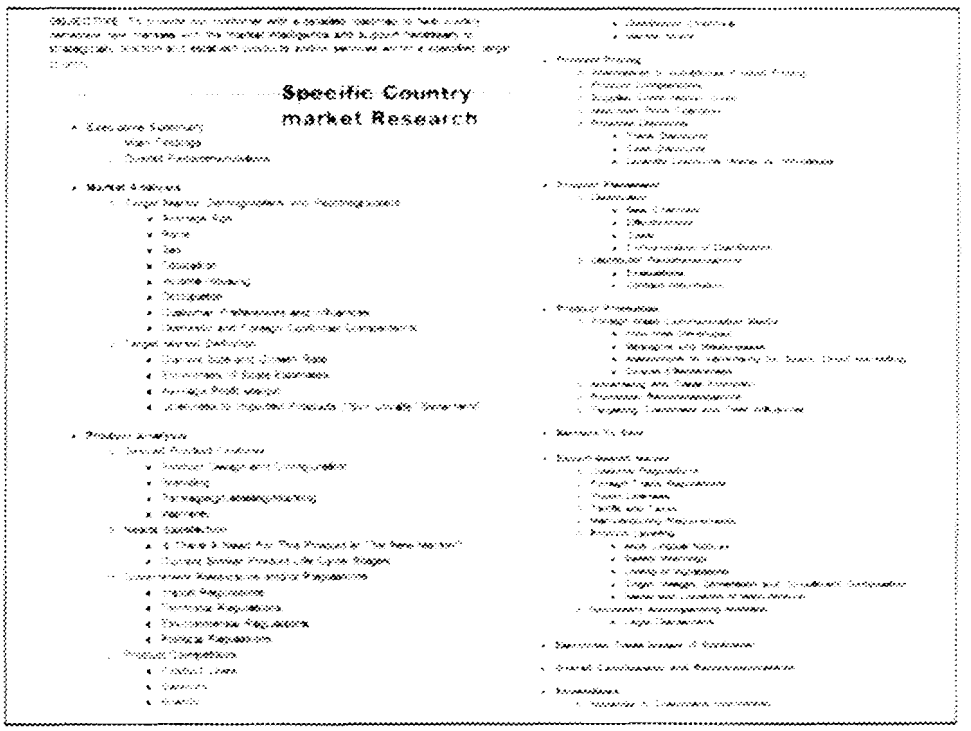
Use of the Internet as a low cost export market research resource is one of the most important ways in which connectivity can improve the international competitiveness

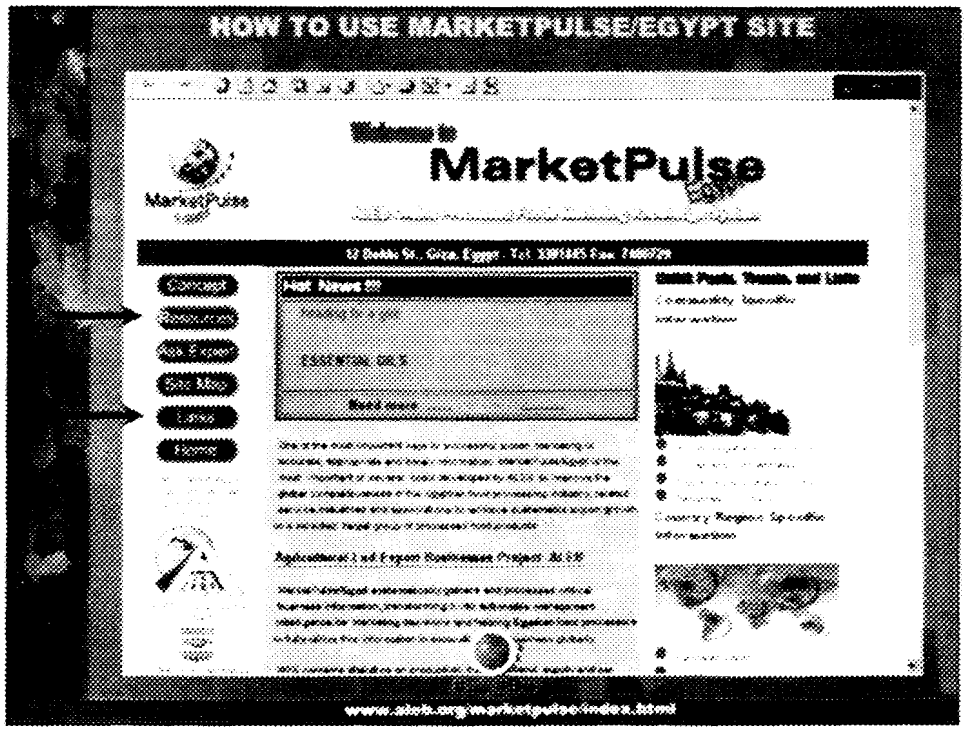
www.dieb.org/marketpulse/index.html

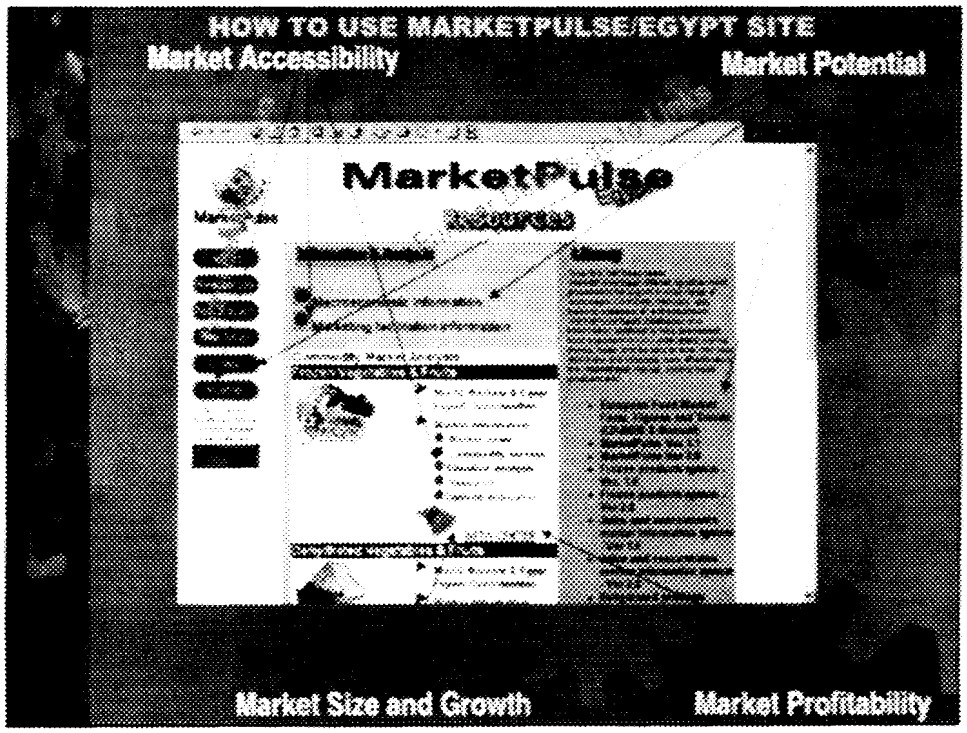

Internet Market Research
Statistics are an important part of any business plan or performance benchmarking report. They help you to determine whether or not your company is taking advantage of all the opportunities offered by your business market, industry and environment.
One of the fastest growing sources of free statistics is the internet. Of course it is also one of fastest growing sources of frustration. You can easily spend hours "surfing" and come up with literally nothing at all. Fortunately, this is not a inevitable consequence of technology. By following a few simple steps and keeping in mind a few tips, you can successfully research on the internet at a minimal cost of time and effort.

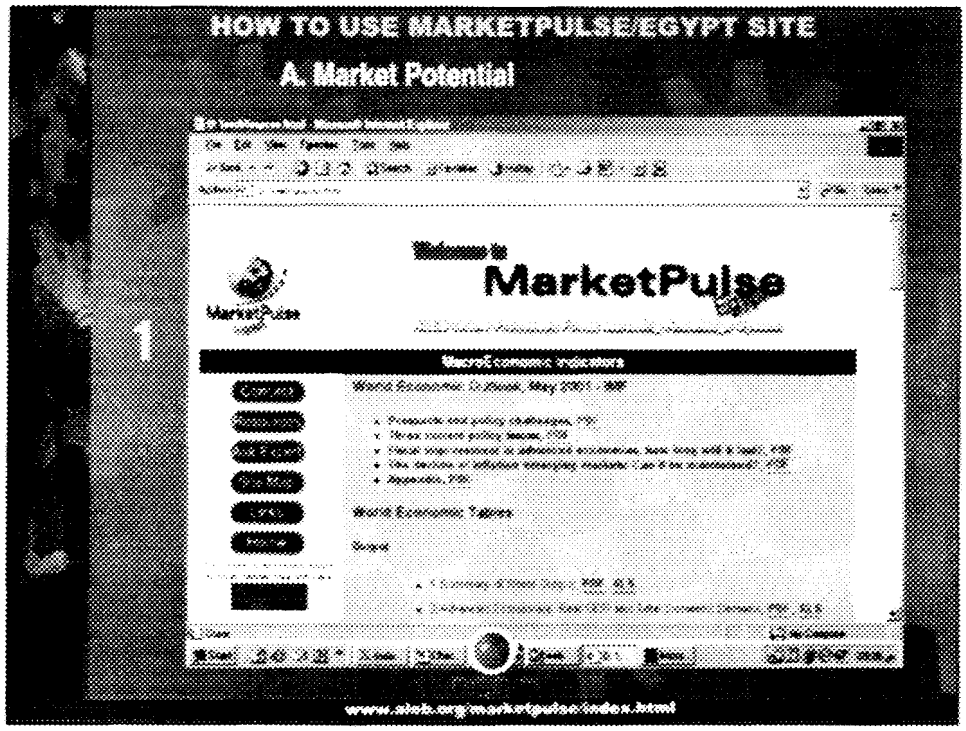
MarketPulse/Egypt
HOW MARKETPULSE/EGYPT SITE CAN HELP YOU TO DO SUCCESSFUL EXPORT MARKET RESEARCH AND DEVELOP EFFECTIVE EXPO
PLANS
MarketPulse

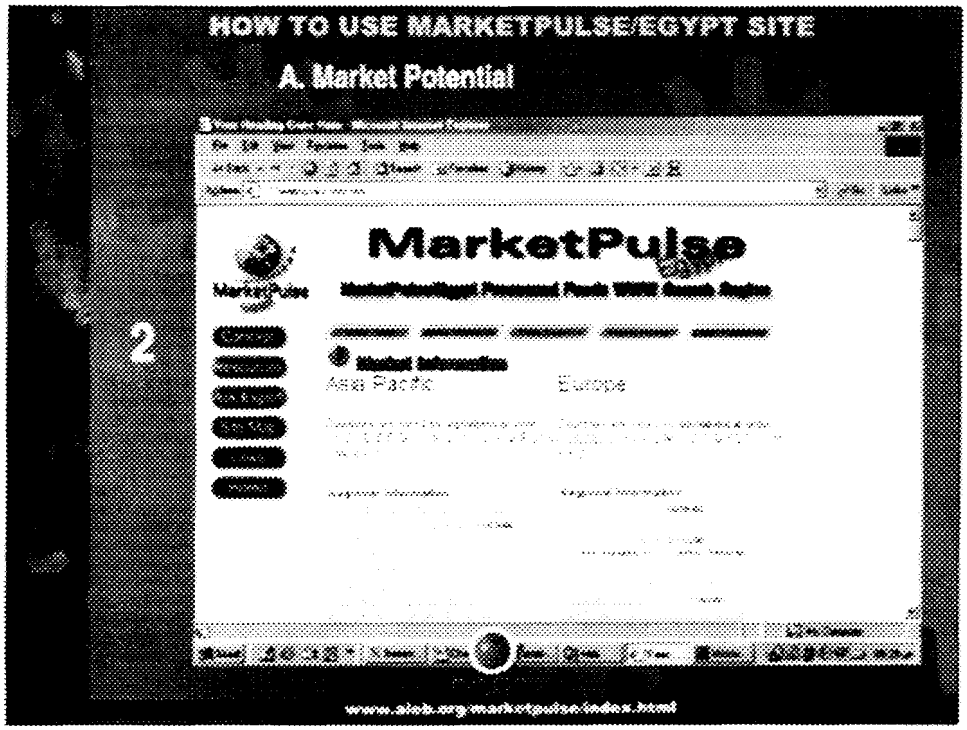

Specific
product market
Research

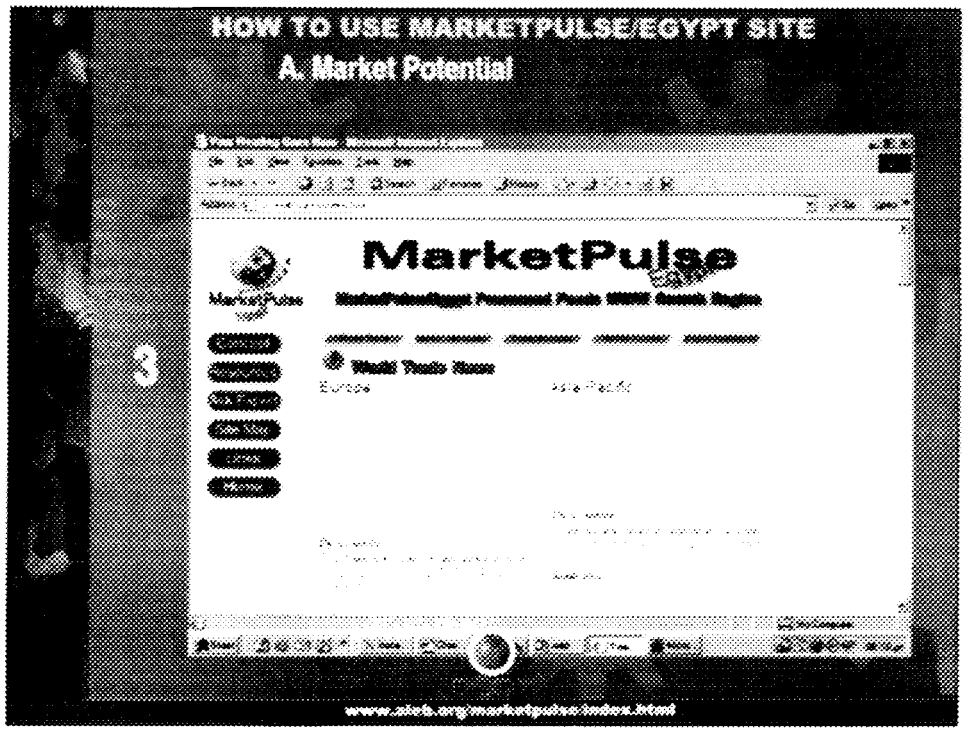

Specific Country
market Research


HOW TO USE MARKETPULSE/EGYPT SITE
MarketPulse

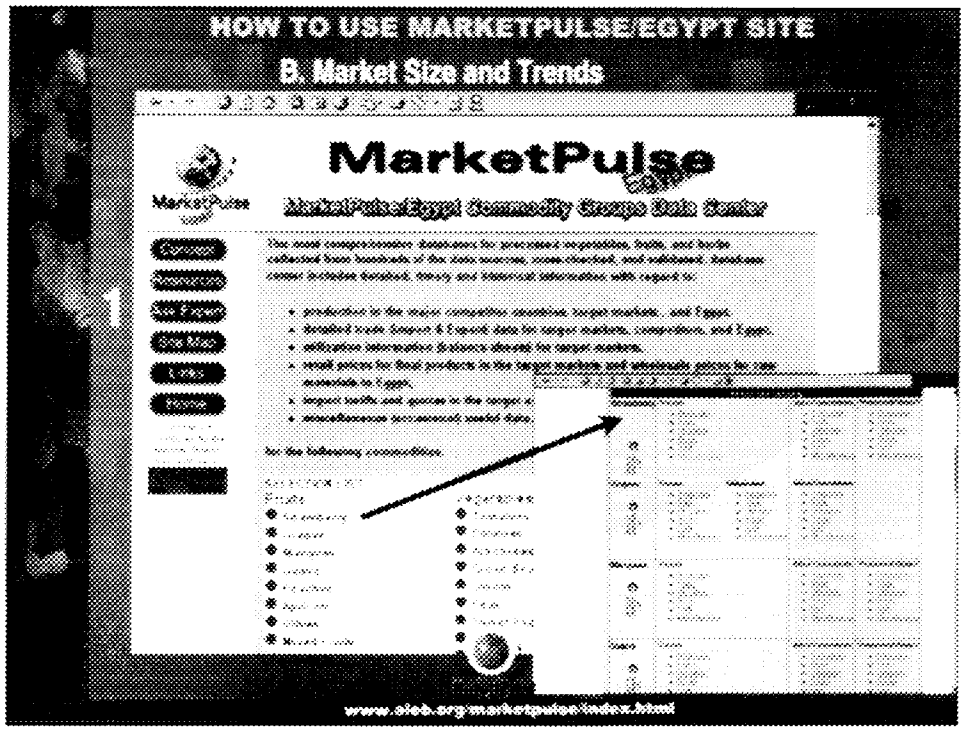

HOW TO USE MARKETPULSE/EGYPT SITE
Market Accessibility
Market Potential
MarketPulse
Market Size and Growth
Market Profitability

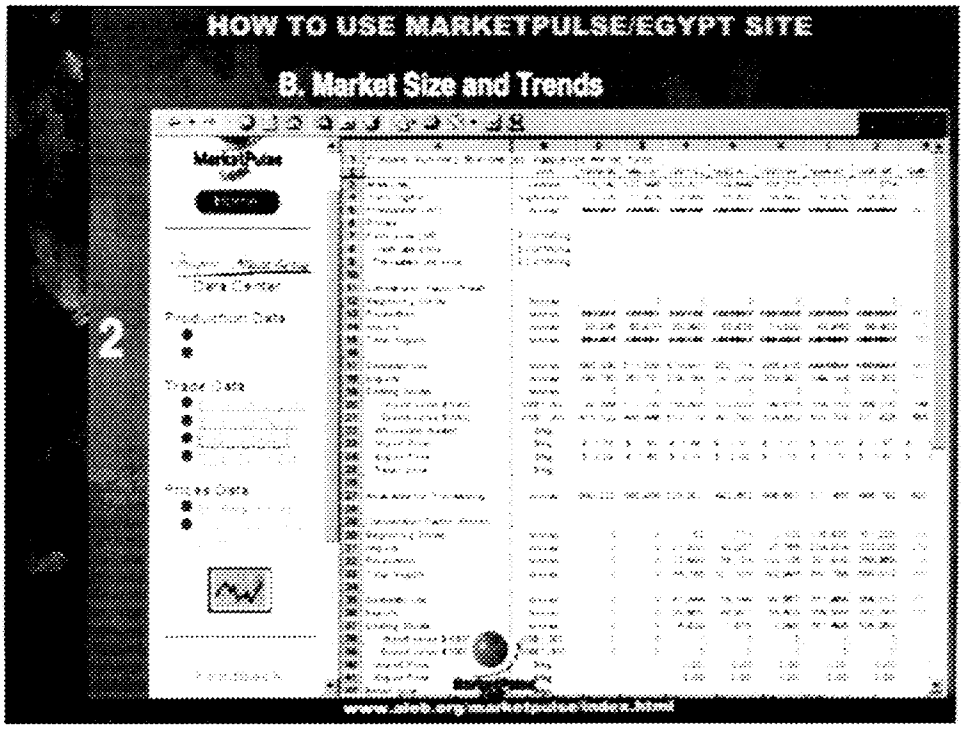

HOW TO USE MARKETPULSE/EGYPT SITE
A. Market Potential
1
MarketPulse

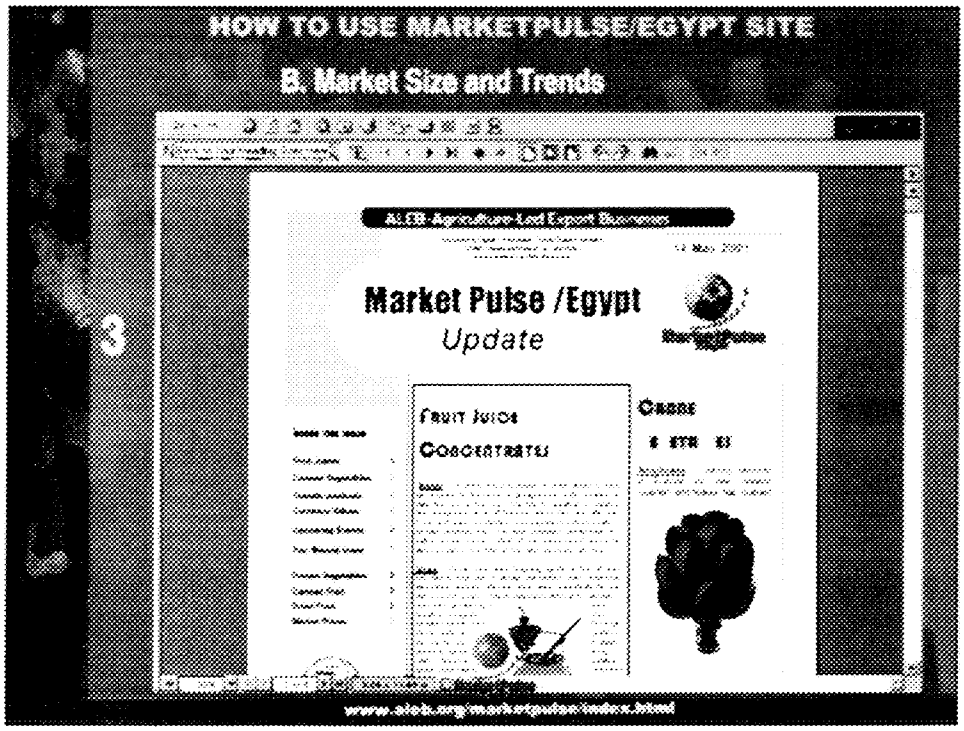

HOW TO USE MARKETPULSE/EGYPT SITE
A. Market Potential
2
MarketPulse
Asia Pacific
Europe

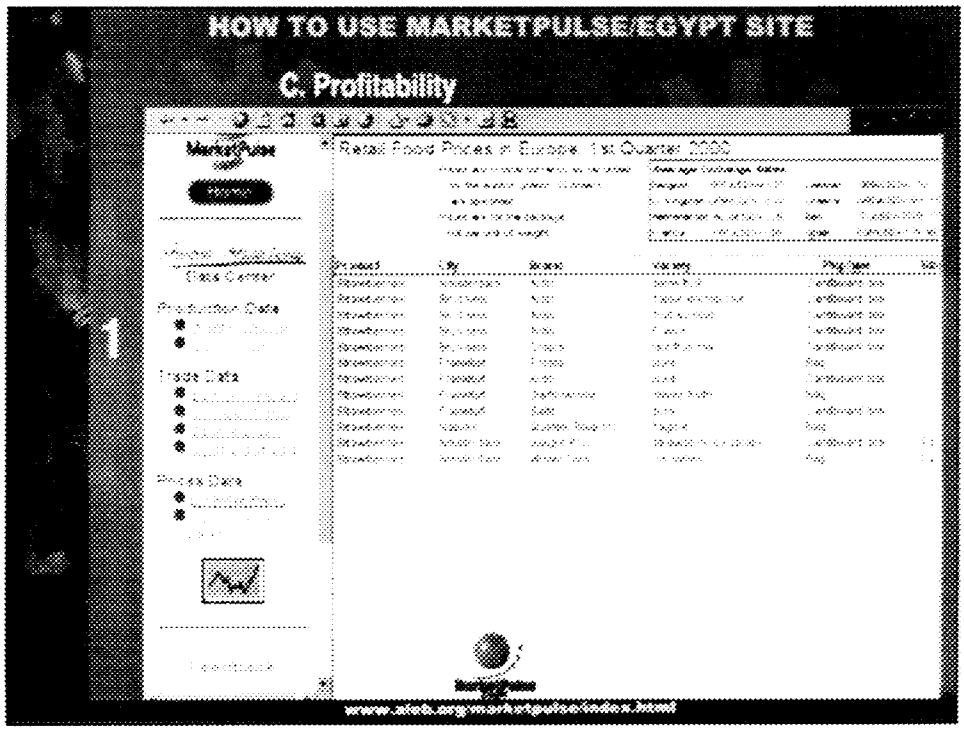

HOW TO USE MARKETPULSE/EGYPT SITE
A. Market Potential
MarketPulse
3

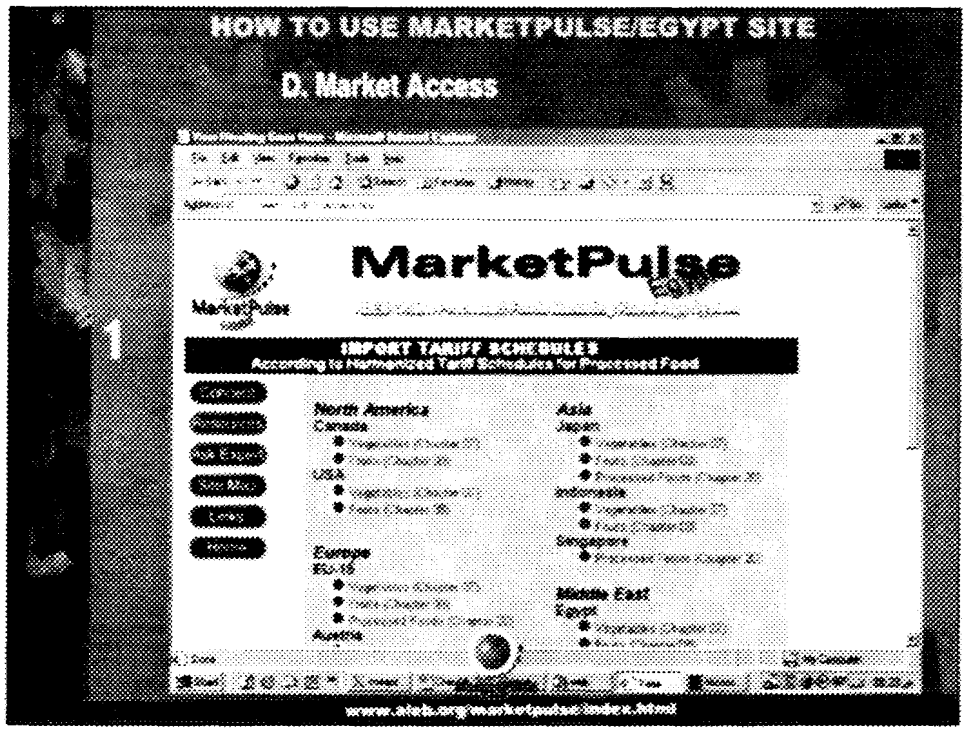
HOW TO USE MARKETPULSE/EGYPT SITE
B. Market Size and Trends
MarketPulse
1

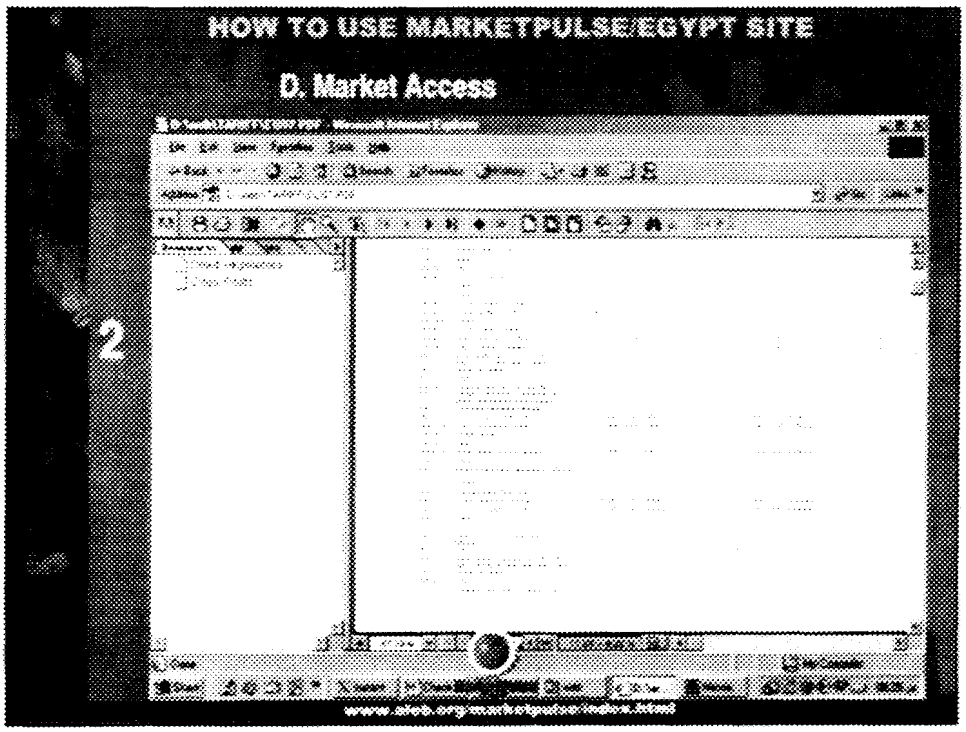

HOW TO USE MARKETPULSE/EGYPT SITE
B. Market Size and Trends
1
MarketPulse

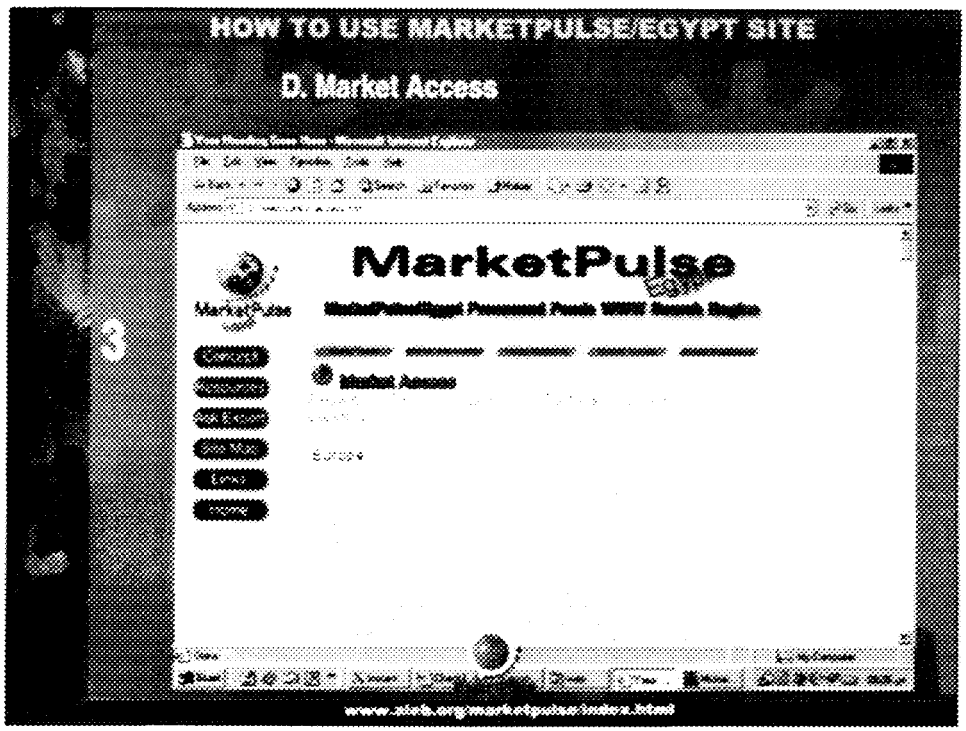

HOW TO USE MARKETPULSE/EGYPT SITE
B. Market Size and Trends
2


HOW TO USE MARKETPULSE/EGYPT SITE
B. Market Size and Trends
3
Market Pulse /Egypt
Update
Fruit Juice
Concentrates
Crops


HOW TO USE MARKETPULSE/EGYPT SITE
C. Profitability
1


HOW TO USE MARKETPULSE/EGYPT SITE
D. Market Access
1
MarketPulse
IMPORT TARIFF SCHEDULES
North America
Canada
USA
Asia
Japan
Indonesia
Singapore
Europe
EU-15
Austria
Middle East
Egypt


HOW TO USE MARKETPULSE/EGYPT SITE
D. Market Access
2


HOW TO USE MARKETPULSE/EGYPT SITE
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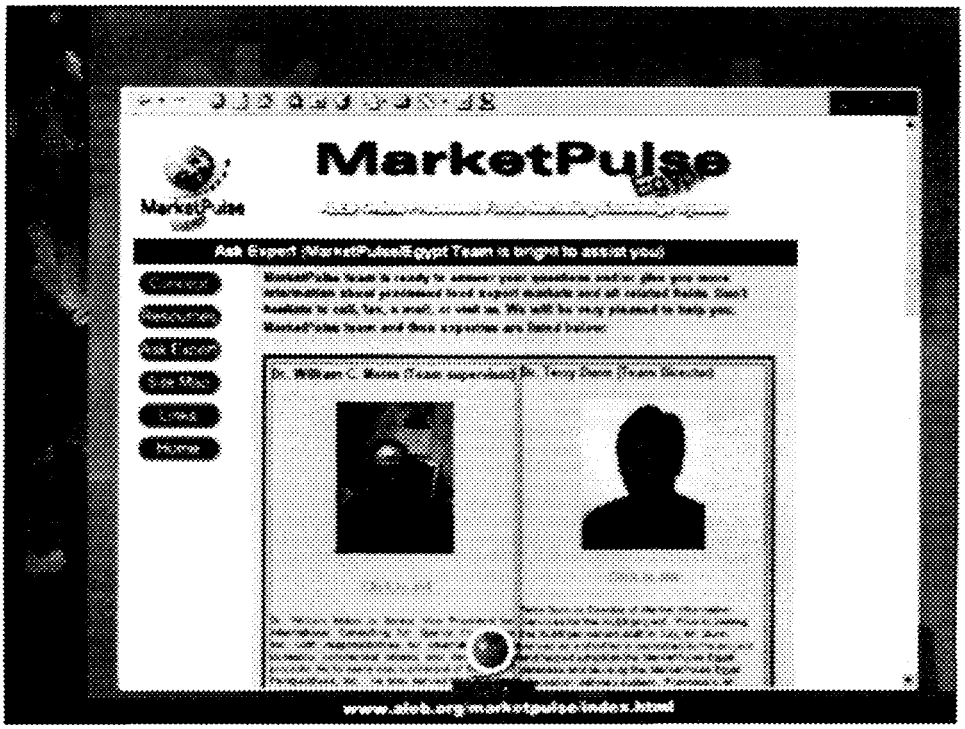
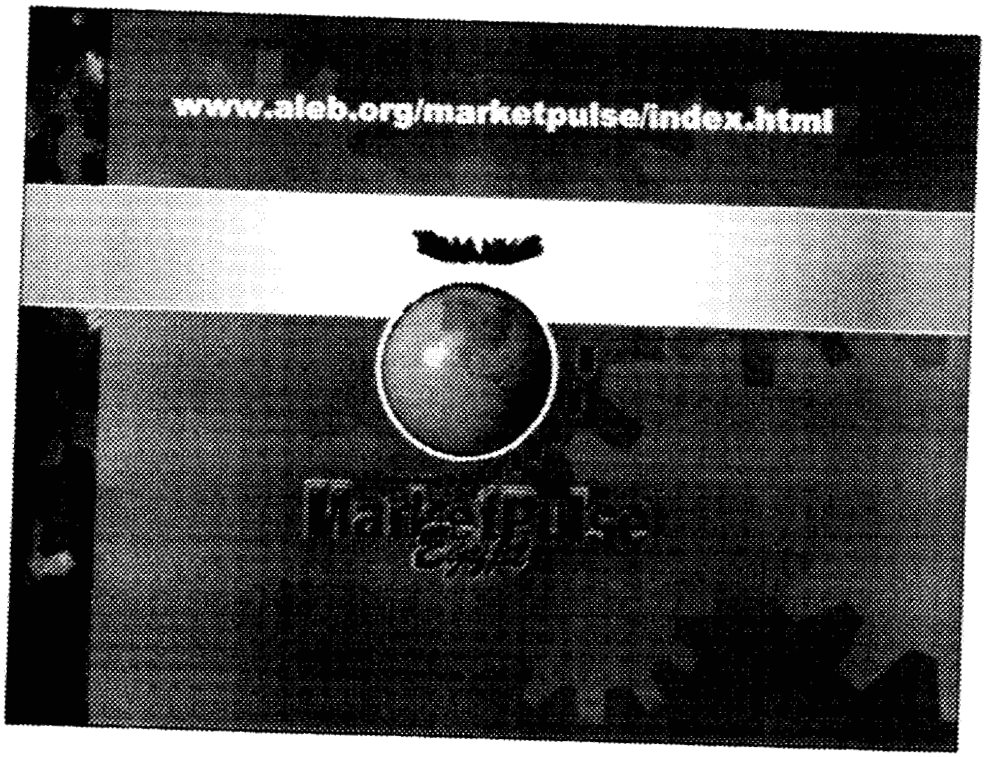
MarketPulse


MarketPulse


www.aleb.org/marketpulse/index.html
Market Pulse