

## Identify Potential Markets

Using the classification codes from the last section, and referencing appropriate resources, you will be able to access specific trade statistics on your product. Many of the statistical resources mentioned will display information that may reveal:

- **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. This information may indicate that an infrastructure (political, cultural, and economical) exists that will possibly support the sale of your product.
- **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 and state. 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.
- **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?
- **Product's Trade History**  
By looking at a summary of the product's trade history over the last few years, you can estimate if the market is growing or shrinking consistently, or emerging. Look at shipments over the last three to five years. Think about which markets are growing consistently. Does the growth record indicate a trend? Identify markets that are shrinking. Is this reduction a result of a recession? Are there political or economical indicators that signal the potential for the market to emerge once the recession is over?

A vital part of identifying markets is researching countries of potential markets.

- How does your product or service compare with competition in the foreign market?
- Is your price competitive in the markets you're considering? Reflect on the monetary exchange rate, and current economic conditions in the markets you are pondering.
- Who are your major customers? Exporters with unique products that have not been classified or sold previously will want to develop a customer profile to determine the most likely audience that will buy his or her products or services.