

How to Do International Market Selection

Author: Milton Jack . June 2020

Organizations seek out new country markets based on expected returns. These expectations depend on judgments about the attractiveness of the market and the organization's competitive position in it. Informants in turn influence this. It is the number of and strengths of these informants that will underlie the probability of a country being identified and assessed as a new market by an organization (Brewer, 2001). Organizations seek out new country markets based on expected returns. These expectations depend on judgments about the attractiveness of the market and the organization's competitive position in it. Informants in turn influence this. It is the number of and strengths of these informants that will underlie the probability of a country being identified and assessed as a new market by an organization (Brewer, 2001).

The international market selection process requires segmentation and market target strategies. This process of dividing a market into distinct subsets (segments) of consumers with common needs. Segmentation can be demographic, psychographic, geographic, and benefit segmentation. During segmentation, an organization should consider measurability (the degree to which the size, purchasing power of a market segment can be measured), Accessibility (the degree to which a market segment can be reached and served), Substantiality/profitability (the degree to which a market segment is sufficiently large or profitable) and actionability (the degree to which effective programs can be designed for attracting and servicing a given market segment).

Market coverage strategies:

1. Undifferentiated

This strategy focuses on what is common in consumer needs in the marketplace and is effected by presenting one product for all markets or presenting all of a company's products in one market. The market is treated as a whole.

1. Multi-segment (Differentiated)

A differentiated marketing strategy is one where a company develops several different brands to meet the unique needs of each of the consumer segments. A company that produces breakfast cereals, for example, may produce a sweet cereal aimed at children, an organic cereal for the health-conscious, and high-fiber cereal for dieters.

1. Concentration

The concentrated marketing approach is based on a decision to achieve maximum penetration in one or more segments to the exclusion of the rest of the market. Instead of spreading itself thinly in many parts

of the world, it decides to concentrate its forces on a few clearly defined areas. The company may be able to attain a strong position in this market by concentrating its resources and competencies over it.

1. Niche

Niche market coverage concentrates on a market segment that is not satisfactorily served or which is ignored by the major players. Such a strategy avoids direct and immediate competition with major firms

Steps for the International Market Selection:

Market selection plays a crucial role at the international level. Market selection is based on a thorough evaluation of the different markets regarding certain well-defined criteria, given the company resources and objectives. The following are the steps involved in the market selection process:

(a) International Marketing Objectives: The first step in the market selection process is to determine or ascertain the export marketing objectives of the organization. The market selected to serve a particular international marketing objective need not necessarily be the best suited to achieve some other international marketing objective.

(b) Parameters for Selection: For proper evaluation and selection of the markets, it is essential to lay down the parameters and criteria for evaluation. The different parameters for the selection of a market are a firm's resources, international environment, market situation, nature of competition, government policy, etc.

(c) Preliminary Screening: The objective of the preliminary screening is to eliminate the markets which are not potential. The parameters used for the preliminary screening may vary from product to product. However, parameters like the size of the population, per capita income, and structure of the economy, infrastructural factors, and political conditions are commonly used.

(d) Short Listing of Markets: Preliminary screening enables the elimination of markets that do not meet consideration at the very outset. There would be a large number of markets left even after the preliminary screening. They are further screened with the help of more information than was used at the preliminary screening stage

(e) Evaluation and Selection: The shortlisted markets are further evaluated regarding the cost-benefit analysis and feasibility study. They are then, ranked based on their overall attractiveness. Of the markets, the best one is chosen for the launching of product considering the company's resources and external environment

(f) Test Marketing: Initially, the market is tested on a smaller scale by launching the product in a part of the markets. This provides feedback to the producer about the market. At the same time, it helps the producer in assessing the overall response of the consumers from a specific market, after tested success, the production can be undertaken on a mass scale.

(g) **Commercial Production:** Once the product is tested "in the selected market, the company goes ahead with mass production. Minor modifications, if any, are introduced in the product mix during this stage.

Setting up Export Promotion Organisations to help with IMS

Export promotion organizations of each country try to promote the export of their country. In Zimbabwe, ZIMTRADE offers great help in easing Zimbabwean product sales abroad. They provide information through advertisements, seminars, and public relations. They do not do this to help a particular firm. Their objective is to promote Zimbabwean products abroad creating awareness of potential markets, marketing to outside markets, and improving perceptions on the quality of Zimbabwean goods.

In conclusion, the international market selection process is different in small and medium-sized businesses and large-scale enterprises. In some cases, it is simply a reaction to a stimulus provided by a change agent. Government agencies, chambers of commerce, and other change agents may also bring foreign opportunities to an organization's attention. It is noteworthy that international market selection will not always be a logical and gradual sequence of activities, but an iterative process involving multiple feedback loops.

Milton Jack is a Business Consultant at Industrial Psychology Consultants (Pvt) Ltd, a business management and human resources consulting firm.

LinkedIn: [linkedin.com/in/milton-jack-9798b966](https://www.linkedin.com/in/milton-jack-9798b966)

Phone: +263 242 481946-48/481950

Mobile: +263 774 730 913

Email: milton@ipccconsultants.com

Main Website: www.ipccconsultants.com

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