

International Market Research

*A Step-by-Step Guide to Conducting
International Market Research*

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International Business Development

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INTRODUCTION

Conducting valuable international market research has always been somewhat of a challenge due to the overwhelming amount of information available, high subscription costs, and time commitment required. In addition, it's often difficult to figure out where to start and what resources to use.

In an attempt to address these obstacles and create a simplified process, this guide has been created to provide an introduction to international market research and teach you how to use some of the great resources available. Whether you are new to exporting or looking to break into new markets, this guide can be useful and instructive as it covers a wide range of information. In this guide, the process of market research is broken down into four main steps including: product classification, industry analysis, identifying target markets, and market analysis.

As you work your way through the guide, you will notice that some of the resources included require a subscription. The SBTDC has subscriptions and access to all of the resources listed. Therefore, you will need to ask your International Business Development (IBD) Counselor to pull those specific subscription-based reports and data for you. In addition, we strongly encourage you to work with your IBD counselor and consult them when you're working your way through this guide. Our IBD counselors are highly trained, Certified Global Business Professionals (CGBP's) with an impressive background of international business experience.

Finally, please note that this guide is intended to be an informative and educational introductory tool to conducting market research. It does not attempt to provide comprehensive coverage of all resources available; a guide that inclusive would probably be several hundred pages. Rather, this guide focuses on some of the best resources available that are free or accessible through SBTDC subscriptions. Therefore, this guide should not be used as a one-stop shop for determining target markets. You will, more than likely, need to conduct additional research, network with industry professionals, and receive guidance and counseling from your IBD counselor to truly be successful in your research efforts and ultimately in selecting foreign markets to enter.

We hope this guide will serve as an educational and instructive resource in your international market research efforts and in your international business endeavors.

Good luck!

Chapter 1

Classification Codes

Chapter 1

Determine Classification Codes

Before you begin your market research, you need to determine the proper classification codes for your product and industry. Classification codes are numerical identification codes assigned to products and industries that are recognized nationally and internationally, depending on the code. Many of the resources referenced in this guide require a classification code to pull data and reports.

In addition, it's important to familiarize yourself with the different types of codes and identify your own as these will be required to ship good overseas and used to determine import tariffs. Your IBD counselor can assist you in determining your codes and can also provide more information about how and why these codes are used in exporting.

In this chapter, we'll focus on identifying the classification codes needed for our market research purposes. These codes include the HS/Schedule B, SITC, and NAICS codes.

HARMONIZED SYSTEM (HS) CODES

The Harmonized System (HS), developed and administered through the World Customs Organization, classifies imported and exported products for customs purposes by assigning numerical classification codes. These 6-digit codes are globally harmonized, which means that every country using the HS system will assign the same codes to their products so they are recognized internationally. Currently, over 200 countries and economies use this system.

Schedule B

For export purposes, the United States has its own classification system called the Schedule B. The Schedule B, managed by the Foreign Trade Division within the U.S. Census Bureau, assigns 10-digit classification codes to products being exported from the U.S. The first 6 digits of the Schedule B code are the same as the HS code, therefore the last 4 digits are an extension of the HS code used only by the U.S. to track their exports. These 10-digit codes are primarily used for statistical reporting, as no duties are required on U.S. exports.

What do the HS and Schedule B codes look like?

Below is an example of a broken down HS/Schedule B code that will allow you to better understand how these codes are constructed. In general, the more numbers a code has, the more specific its description becomes. Therefore, shorter codes have more broad and general descriptions. It's important to understand the breakdown of these codes as many reports only provide data and statistics for the more general (shorter) classification codes.

09 – *Coffee, Tea, Mate and Spices*

The first two digits of the HS code are referred to as the **Chapter**. When searching for your code you'll first start by searching through the chapter descriptions.

09.01 – *Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion*

The more digits your HS code contains, the more descriptive your product classification becomes, as you can begin to see. The first four digits of an HS code are referred to as the **Heading**.

0901.21 – *Not decaffeinated*

The six digit codes are complete and official **HS codes**. The codes are globally harmonized at this level, meaning all countries using the harmonized system will use the same codes to classify their products. The first six digits can also be referred to as the **Subheading**.

0901.21.0010 – Certified organic

The 10 digit codes can either be a **Schedule B** code (U.S. code to track exports) or a **HTS** code (U.S. code to determine import tariffs). These 10 digit codes are an extension of the HS code created and used by the U.S. to track their imports and exports.

Determining your HS/Schedule B Code

<http://www.census.gov/foreign-trade/schedules/b/>

- Start on the Schedule B homepage on the U.S. Census Bureau website, link above
- You can search for your code through one of two options; the **Search** or **Browse** function
- To use the **Search** function, click the *Search* link at the top of the page in the *Sections* box
- You will then be prompted to type in a description of your product; be as specific and thorough as you can
- Once you've entered your product description, click the *Classify* button next to the description box
- If your product description was too vague, you may be prompted to enter more details about your product.....these prompts will appear in light blue boxes and be titled "*Tell us more about.....*"
- You should be given a list of possible descriptions/attributes in these boxes, simply select the one that matches your product
- Once you have entered your product description, with or without additional attributes, the system will produce a HS code (Schedule B if available) that most closely matches your description
- To double check your code (which is always a good idea) or if you had trouble using the Search function, you can utilize the **Browse** function
- To search for your code by browsing through the Schedule B book, click on the *Browse* link at the top of the page in the *Sections* box
- Next, click on the link next that reads, "*2013: Look through HTML or PDF versions of Schedule B book content*"
- Once on this page, you will need to scroll through the chapters listed and find the one that most closely matches your product

- Chapters are 2-digit numbers and they are also the first two digits in your HS and Schedule B codes (for example: if your product is beer, you would select “Chapter 22: Beverages, Spirits, and Vinegar”)
- When you click on your chapter link, you will be taken to a list of all the product classifications in that chapter; simply scroll the list and find the one that most accurately describes your product
- Finally, if you want to validate a code and/or search for a code’s product description, you can utilize the **Validation** function
- From the homepage, click the *Validation* link at the top of the page in the *Sections* box
- You will be directed to a box where you can enter your Schedule B number
- Make sure the most current year is selected, enter your code, and click the *Search* button
- Your description will appear

Harmonized Tariff Schedule (HTS)

The U.S. also has its own import classification system, managed by the International Trade Commission, called the Harmonized Tariff Schedule (HTS). These 10-digit codes are used to determine import tariffs and for statistical reporting. Similar to the Schedule B codes, the HTS codes are an extension of the HS codes. The first six digits of the HTS code are the HS code, and the last 4 digits are only used by the U.S. to track their imports. We won’t need the HTS codes for our market research purposes, but it’s helpful to be familiar with them and how they differ from the Schedule B codes. For more information about HTS codes visit, <http://hts.usitc.gov/>.

SITC – STANDARD INTERNATIONAL TRADE CLASSIFICATION SYSTEM

<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=14>

Developed by the United Nations, the SITC is used by international organizations to report trade statistics. These codes can be up to 5 digits long, but many codes are only 2-3 digits long. The instructions for determining your SITC code below also break down a full 5-digit code so you can see the way these codes are constructed and understand their different parts.

- Follow the link above and this will lead you to a page where you can scroll through the SITC sections (similar to HS chapters). For example: if your product is *tennis shoes*, you would scroll down until you see:
 - **8** - *Miscellaneous Manufactured Articles* (this single digit is known as the **Section**)
- Next, search through the divisions listed under “8” and find the one that most closely matches your product. For *tennis shoes*, that would be “85”:
 - **85** – *Footwear* (the first 2-digits are known as the **Division**)
- Click on the division number “85” and you’ll be taken to a list of groups (or 3-digit classifications). Find the most appropriate group for your product and click on the corresponding link. With our tennis shoe example, there is only one group listed:
 - **851** – *Footwear* (the first 3-digits are referred to as the **Group**)
- You will then have an option to scroll through subgroups. With our example, this is the best match:
 - **851.2** – *Sports footwear* (the first 4-digits are referred to as the **Subgroup**)
- Finally, scroll through the final list of classifications to determine your full 5-digit SITC code. For our example, that would be:
 - **851.25** - *Tennis shoes, basketball shoes, gym shoes, training shoes and the like and other sports footwear with outer soles of rubber or plastics and uppers of textile materials* (the 5-digit codes constitute a full **SITC code**)
- When you click on this final SITC code, a breakdown of your code appears along with a description of the product (sometimes an explanatory note is also included)

NAICS – NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM

<http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012>

The NAICS (pronounced “nakes”) was developed through the U.S. Office of Management and Budget (OMB), as a joint effort between the U.S., Mexico, and Canada. These 6-digit codes classify business establishments by the nature of their business. Please note, these are not product classification codes, they are industry classification codes. The NAICS allows U.S. federal agencies to collect and analyze data related to the U.S. business economy. NAICS replaced the Standard Industrial Classification (SIC) system in 1997. The NAICS codes are updated every five years; they were most recently updated in 2012.

- Follow the link above to the NAICS homepage
- Once there, you can find your NAICS code by utilizing the **Search** function to search for your code by description or you can **Browse** through the codes listed to find yours
- To **Search** for your code, type a brief industry description in the search box at the top left hand side of the page under *NAICS Search*
- Enter your description and click the *2012 NAICS Search* button (for the most accurate and up-to-date NAICS codes, be sure to use the *2012 NAICS Search*)
- For example, if you are a wedding photographer your industry would be “photography”, therefore type “photography” in the search box
- This search brings up 15 different options for the photography industry
- Scroll through the results and choose the most appropriate code for your business
- In this example, there is a specific NAICS code for this industry, listed at the top of the list:
 - **541921: Wedding Photography Services**
- Click on this code and you will be given further detailed information about this classification
- If you could not find your appropriate NAICS code using the Search feature, or if you want to double check your code, you can **Browse** through the NAICS codes listed
- Go back to the homepage, and begin by sorting through the Sector codes listed (the sector codes are the first 2-digits, similar to HS chapters)
- Click on your appropriate sector heading and this will lead you through a breakdown of the NAICS codes (similar to our process with the SITC codes)
- Using our wedding photography example, the sector heading that is closest to the photography industry would be:

- **54: Professional, Scientific, and Technical Services**
- Click on “54” and this takes you to a list of included industries
- Scroll through until you find the most appropriate code for your industry
- In our example, you’ll scroll almost to the bottom of the list until you see:
 - **541921: Photography Studios, Portrait**
- Click on this code and you’ll be taken to a page with detailed descriptions of this code and you’ll see that this code includes “wedding photography services”
- You can also download and browse through a **Hard Copy of the NAICS Booklet**
- Go back to the homepage and click on the link titled, *2012 NAICS* under the *Downloads/Reference Files/Tools* section (this will be on the left hand side of the page under the *NAICS Search* tool)
- Scroll down to the bottom of the page and you will see a list of available downloadable files
- The 2012 NAICS booklet should be available in both .pdf and .xls versions

Worksheet: Record Your Codes

Now that you have identified your classification codes, you'll need to record and remember them to complete your market research. In addition, these codes will assist your IBD counselor in helping you develop your export business plan and strategies. This worksheet is provided so you can easily record and reference your classification codes.

My Classification Codes

HS code (6-digit)	
Schedule B code (10-digit)	
SITC code (5-digit)	
NAICS code (6-digit)	
Brief Product/Service Description (5 words or less)	

Chapter 2

Industry Analysis

Chapter 2

Industry Analysis

Now that your classification codes have been determined, you are ready to begin your market research. Before identifying and analyzing target markets, it's a good idea to first examine your industry.

Doing some basic background research on your industry can often provide you with valuable information about global trends, recommended overseas markets, as well as information about your competitors' international presence and activities. For example, you can discover if your industry is already significantly involved in international trade or if your company will be one of the pioneers.

This industry knowledge can help direct your search for target markets and may often identify markets that are growing, emerging, and successful for your industry.

Note: The two main resources in this section are subscription-based and therefore can only be accessed by a member of the IBD team at the SBTDC. If you are interested in the industry reports included in this section, please ask your IBD counselor to provide them.

IBIS WORLD

www.ibisworld.com

A great place to gather valuable information about your industry is IBIS World, the largest independent publisher of U.S. industry research. IBIS World reports provide valuable industry information in a well-organized, easy to understand format complete with charts and graphs. The SBTDC has a private subscription to IBIS World and can therefore pull industry reports for you, free of charge. You will need to provide your **NAICS code** for these reports. Your counselor can provide you with both a printed and electronic version of these reports.

Note: This is a SBTDC subscription-based resource. Therefore, you will need to ask your IBD counselor to pull these reports for you.

EUROMONITOR PASSPORT

<http://www.euromonitor.com/>

Euromonitor Passport is a global market research database providing valuable industry, country, and consumer information for over 200 countries through data, statistics, charts, reports, and analyses. The SBTDC has a subscription to Euromonitor and can pull industry reports and information for you. You do not need to provide any classification codes for these reports. However, be sure to provide an accurate description of your industry and market research requests to your IBD counselor so they can pull the most appropriate and relevant information for you. These reports can be provided in both print and electronic versions.

Note: This is a SBTDC subscription-based resource. Therefore, you will need to ask your IBD counselor to pull these reports for you.

INDUSTRY TRADE ASSOCIATIONS

Another great source of industry information can often come from industry trade associations. A majority of industries and trade sectors have state, national, and/or international level trade associations. Trade associations are typically membership-based organizations, where members pay dues in exchange for the association's services. These services often include industry information, educational and professional development opportunities, networking events with industry professionals, and legislative representation at the state or national level.

First, you need to determine if a trade association exists for your industry. Unfortunately there is no collaborative list of all trade associations. However you can conduct some basic research on the internet, ask other industry professionals, and talk with your IBD counselor to determine if a trade association exists for your industry.

Once you find your industry's trade association, visit their website to see if they have an international department and/or designated staff member. They might even have some helpful/relevant information on the website about international trade including top and emerging markets.

If you want to become active in the association, contact the membership staff person and inquire about how to join. Trade associations are generally great outlets for networking, attending industry events, and staying educated on the latest trends and development within your industry.

Some examples of trade associations include:

- Aerospace Industries Association, <http://www.aia-aerospace.org>
- American Chemical Society, <http://www.acs.org>
- American Health Care Association, <http://www.ahcancal.org>
- National Association of Manufacturers, <http://www.nam.org>
- National Rural Electric Cooperative Association, <http://www.nreca.coop>
- North Carolina Biosciences Organization, <http://ncbioscience.net>
- North Carolina Technology Association, <http://www.nctechnology.org>
- North Carolina Restaurant & Lodging Association, <http://ncrla.org>

Chapter 3

Target Markets

Chapter 3

Identify Target Markets

Now that you have identified your classification codes and have done a bit of background research on your industry, you are ready to get into the heart of international market research.....determining the best foreign markets for your product.

This chapter provides step-by-step instructions for navigating various resources that will allow you to pull export statistics, trade data, and related reports. This information will help you determine which overseas markets have been the most successful for your product and also which markets are the fastest growing. Your IBD counselor can assist you in analyzing, interpreting, and implementing this information.

USA TRADE ONLINE

<https://usatrade.census.gov/usatrade.nsf>

USA Trade Online is an extension of the Foreign Trade Division of the U.S. Census Bureau and is a source of merchandise trade data. This database contains data for over 9,000 export commodities that can be compiled into customized reports and charts. USA Trade Online is a subscription based service. However, you can sign up for a free 7-day trial to test the site and pull reports yourself. In addition, the SBTDC has a subscription to USA Trade Online and therefore a member of the IBD team can also pull data and reports for you. There are numerous reports that can be pulled from this site. However, only those most relevant for our purposes are highlighted below.

Need HS and NAICS Codes

- Starting on the homepage, link above, log-in to your account or sign up for a free 7-day trial to access the site
- After logging in, come back to the homepage and select the link titled *Click here to access the trade data* (towards the top of the page)
- You will then be taken to a page that lists the various reports you can pull
- The district-level and port-level reports will require a HS code
- The state data reports can be obtained with a HS or NAICS code

Note: When entering codes in this system, it's best to start with a shorter version of your code instead of entering the full code. For example, sometimes there is no data available for a full 10-digit HS code, but there is data for the shorter 6-digit HS code. Entering the full 10-digit code will return no results, whereas entering the 6-digit code will. The same applies to the NAICS codes; it's often best to start with only 4 digits. If a more detailed product code is listed in this database, it will be listed when you enter the shorter code.

HS District- Level Data: Standard Report (HS Code)

- Click the *Exports* link on the Standard Report line
- You'll be directed to a page where you can either enter your HS code or search for it from the list provided

- If you have your HS code, enter it into the search box and click the *search* button (when entering codes, it's best to only input the first 6 digits with no periods – this will then pull up a list of corresponding product codes and you can then select your 10-digit code if it's available)
- If you do not have your HS code, scroll through the list of product classifications until you find yours (you will notice the product classifications are initially listed by chapter, or 2-digit number)
- You can then click on the drop down boxes to the left of the chapter code to expand the list into headings (4-digit codes) and ultimately subheadings (6-digit codes) and commodity codes (10-digit) codes
- Select the HS code that most closely matches your product (this may be a 6-digit or 10-digit code) by checking the box next to your product description
- Then click the link titled *Show Report* in the top right hand corner of the page
- When your report appears, it will show the \$ value and quantity of exports for your product over the past five years for every country in the world (initially showing the countries in alphabetical order)
- Naturally, you don't need to view data for every country, you're just concerned with viewing the top import countries, so let's **rearrange the report data** to see those
 - To change the view of the report and see the top countries by \$ value, click the downward facing arrow (which is the *sort descending* link) in any of the \$ value columns and it will rearrange the data to show you the top markets by \$ value
 - You can also change the view to see the top markets by quantity by clicking on the downward arrow in any of the quantity columns
- If you want **to edit the table**, click on the *Table options* button at the top of the page----you can eliminate rows and columns that you don't want and change the display settings
 - You can also view this data in chart form (instead of the table format) ----simply click the *Chart* button at the top of the page
 - Once you click on the *Chart* button, you will see charts for each year by \$ value and quantity----to enlarge a particular chart, simply click on it-----you can edit the chart and change the formatting display by clicking on the *Chart options* button at the top of the page
 - To return to the table view, click the *Table* button at the top of the page

- If you would like **to save a copy of your table/chart**, you have a few options:
 - You can **save your reports to your USA Trade Online account**, if you have one
 - The system will automatically update these reports and store them for you in a folder titled, *"My Reports"*
 - To save a report to your account, click the *Save* button at the top of the page while viewing either your table or chart, follow the prompts and click *ok* to save
 - You can also **download and save a copy of the table data to your computer**
 - Click the green arrow button at the top of the page
 - There will be 3 downloading format options (2 .csv and 1 .xml)
 - All of these formats should open with Microsoft Excel, so it shouldn't make a difference which one you pick
 - *Note: Once your data is converted into an Excel file, you will probably have to edit/format the document to make it legible and neat. Therefore, some proficiency in Excel will be required.*
 - Finally, you can **print a report directly from the website**, in table or chart format, by utilizing the last two buttons at the top of the page
 - The *Print Setup* button will set your printing preferences and *Print Preview* button will allow you to view and print your report
- To return to the main page, and select another report, click the *Return to Data Source Selection* link (top right hand corner of the page)

HS Port- Level Data Report (HS Code)

- Start on the reports homepage (instructions at beginning of the USA Trade Online section)
- Select the *Exports* link next to the *"Port-level Data"* report
- First, you'll need to de-select the *All Ports* selection by clicking the red x next to this line
- Next, you can select which specific ports you would like to view data for (for our purposes, we'll most often select Wilmington, NC)
- Once you have selected your port(s), go to the left hand side of the page and click the *Commodity* link
- When the commodities appear, you will notice that all of the commodities are selected (unless you want to view data for every commodity, you'll need to de-select all commodities by clicking on the red x button next to the line that reads *"Total All Commodities"*)

- Once you have done this, select the HS classification code for your product (follow the same instructions listed in the Standard Report guidelines above)
- When your product appears, click in the box next to the description to select it
- Next, go back to the left hand side of the screen and click on the *Country* link (this page allows you to choose what countries you want to see data for)
- If you want to see all exports out of Wilmington, then leave the *World Total* box selected
- However, if you just want to see exports to select countries then: (1) de-select the *World Total* box by clicking on the red x on the *World Total* line and (2) click the drop down box next to *World Total* to view a list of countries and select those you wish to see
- Now that you have set the parameters for your report, click the *Show Report* link at the top right hand side of the page and your customized reports will appear
- These reports will often appear as a series and you will need to scroll through different reports to see all of your data (for example: the first report could show world totals, the second could show just NC port totals, the third Wilmington, NC, and so on)
- You can print and save your reports following the same instructions outlined above in the Standard Report guidelines

State Export Data Report (HS or NAICS Code)

- Start on the reports homepage (directions at the beginning of the USA Trade section)
- For this report, you can either use your HS or NAICS code, simply click on the corresponding link of the code you'd like to use next to the *State Export Data* report section
- As with the previous reports, you'll need to select your preferences for this report, starting with what state you'd like to view data for (for our purposes we'll select NC)
- When the state selection page appears, you'll need to de-select the *All States* option by clicking on the red x next to this option
- Next, scroll down the list until you find your state and check the box next to your state
- Next, click on the *Commodity* link on the left hand side of the page
- If you would like to see all NC exports, leave all of the commodities checked
- If you would only like to see specific commodities, de-select all of the commodities by clicking on the red x next to the *All Commodities* heading, then find and select your specific product (you can follow the instructions under the previous reports if needed)
- Next (as in previous reports), select if you wish to see world totals or specific countries
- Once you've selected your report preferences, click the *Show Report* link at the top right hand side of the page

INTERNATIONAL TRADE ADMINISTRATION (ITA)

<http://www.trade.gov/data.asp>

The International Trade Administration (ITA) is a federal government organization that works to improve the global business environment for U.S. companies and supports the President's National Export Initiative. This site provides free data and reports on U.S. export statistics. Reports can be formatted to include data charts, tables, and graphs. There is a wealth of information on this site, however for our purposes only the relevant reports are highlighted.

National Export - Global Report

Need HS, NAICS, or SITC Code

- Starting on the Data & Analysis homepage, link above, click on the *Export Statistics* link on the left hand side of the page
- This will lead you to a page with two maps, click on the left map titled, "*National Trade Data*"
- Then click the *Global Patterns of U.S. Merchandise Trade* link, this will be the top box
- You will then be taken to a page where you can input your product classification code and choose how you want to format your report
 - Starting at the top of the page, under the **Product** section, select *Exports*
 - Then, click the *Change* button which will allow you to enter your classification code
 - In the blue box, where it says "*Classification System*", select the corresponding code you want to use (you'll have the option to select NAICS, HS, or SITC)
 - Next, you will need to find or enter your classification code
 - You can search for your code under the *Product List* tab or you can enter your code under the *Product Code* tab
 - Note: If you enter your code and it says code not validated, that most likely means the code is too specific. As with the USA Trade Online reports, try to shorten your code by a few numbers and search for a more general category. If this still doesn't work, use the *Product List* tab to search for your product and select the option that most closely represents your product.
 - After you have found or entered your code, click the *Update* button in the bottom right hand corner of the box and you will be taken back to the formatting page where you'll continue to customize your report

- Next, under the **Table Display** section, you can choose the time frame you'd like to see data for
- In the *Annual Totals* section, choose the yearly range you want to see data for (you can go as far back as 1989 and as current as 2012)
- If you would like to see data for the current year (2013), you have the option to view quarterly data by checking the box under the *Quarterly Data* section
- You'll need to select the years you'd like to see quarterly data for as well, if you're just interested in seeing this data for the current year, then select "1" year from the drop down box
- Next, you have an option to view the \$ or % change between any or all of the years included in your range by checking the box next to *Compute*
- Select whether you'd like to view the \$ change or % change from the drop down box and select the date range you want to view the change for

- Finally, under the **Map Display** section, you can format the map that will be included in your report
- First, select what year you would like the map to display data for (these maps will only show data for one year)
- Next, you can select your color scheme through the drop down box next to the heading titled, "display style"
- Select how many ranges (value ranges) you want your map to display (five is usually a good range to start with)
- Finally, be sure the *Automatically* button is selected next to the "ranges to be computed" heading
- Now that you've selected all of your preferences, click the *Go* button at the bottom of the page to view your report and map

- When your report appears you have a few options:
- If you need to make changes, click the **Modify Report** link at the top of the page, this will take you back to the main formatting page where you can make your necessary changes
- If you would like to print the report as it appears, click the **Print Preview** link at the top of the page-----when the preview of your report appears, simply print the report
- You can also view and print just the data, with no map, by clicking the **View Data-Text Only** link at the top of the page-----the data will appear in a table and you can print directly from this preview

- If you would like to download and save the report, click the **Download Center** link at the top of the page
 - You will then have an option to save: (1) the map, (2) the map legend, and/or (3) the data table
 - You can save each of these items as individual files or all together as a .zip file (a .zip file is essentially a folder that will include 3 separate documents containing the map, legend, and table)
 - **Note: Unfortunately, you cannot save a copy of the full report (data table and map) as one simple document-----you'll have to save them separately as described above**

State Reports

Need NAICS Code

- Starting on the homepage, <http://www.trade.gov/data.asp>, click on the *Export Statistics* link under the *Data & Analysis* section
- This will lead you to a page with two maps, click on the right map titled, “*State Export Data*”
- Three boxes will pop up, each for a different report and we’ll go through all of them below
- **Note: The State Reports pull data using NAICS codes, which are industry classification codes not product classification codes, therefore these reports will tend to provide more general/broad information.**

Global Patterns Report (first box) – these reports will show you the top markets for a specific state and specific commodity (example: tobacco product exports from NC to each country)

- After selecting this box, a table will appear where you can format your report, similar to the National-Global report we pulled above
- First, choose your state from the drop down box (in our case we’ll select NC)
- Next, click the *Change* button under the **Product** section to enter your NAICS code
- You can search for your code under the *Product List* tab or enter your code under the *Product Code* tab (similar to the process outlined in the National-Global report)
- **Note: Most of these reports will only pull up the first 3-digits of a NAICS code, therefore these reports will cover a more broad/general industry category**
- Find and select the code that most closely matches your industry and click the *Update* button to continue

- Next, under the **Table Display** section, enter the time frame (yearly range) you want to see data for and also indicate if you'd like to see a \$ or % change calculated (similar to the process outlined in the National-Global report above)
- Finally, under the **Map Display** section, select your formatting options (similar to the process outlined in the National-Global report above)
- Once you have chosen all of your preferences, click the *Go* button at the bottom of the page and your report will appear
- Once your report appears, you can choose to save and/or print your report following the instructions outlined above in the National-Global report

State by State Export Report (second box) – this report will show you which U.S. states have the highest level of exports (for a specific industry) to a specified country or world region (example: state export totals of paper to Belgium)

- After selecting this box, a table will appear where you can format your report, similar to the National-Global report we pulled above
- First, under the **Trade Partner** section, choose the partners (countries) you want to include in your report; you can select an individual country, a world region, or a trading/economic region (be sure to choose a specific country/region from the drop down box in addition to selecting the appropriate category)
- Next, click the *Change* button under the **Product** section to enter your NAICS code
- You can either search for your code under the *Product List* tab or you can enter your code under the *Product Code* tab (similar to the process outlined in the National-Global report)
- **Note: Most of these reports will only pull up the first 3-digits of a NAICS code, therefore these reports will cover a more broad/general industry category**
- Find and select the code that most closely matches your industry and click the *Update* button to continue
- Next, under the **Table Display** section, enter the time frame (yearly range) you want to see data for and also indicate if you'd like to see a \$ or % change calculated (similar to the process outlined in the National-Global report above)
- Finally, under the **Map Display** section, select your formatting options (similar to the process outlined in the National-Global report above)
- Once you have chosen all of your preferences, click the *Go* button at the bottom of the page and your report will appear
- Once your report appears, you can choose to save and/or print your report following the instructions outlined above in the National-Global report

Export Product Profile Report (third box) – this report will show you a selected state’s exports to a specified country, with or without a specified industry classification (example: agriculture and livestock products exported from NC to Canada)

- After selecting this box, a table will appear where you can format your report, similar to the National-Global report we pulled above
- First, under the **Trade Partner** section, choose the partners (countries) you want to include in your report; you can select an individual country, a world region, or a trading/economic region (be sure to choose a specific country/region from the drop down box in addition to selecting the appropriate category)
- Next, click the *Change* button under the **Product** section to enter your NAICS code
- You can either search for your code under the *Product List* tab or you can enter your code under the *Product Code* tab (similar to the process outlined in the National-Global report)
- You can either search for your code under the *Product List* tab or you can enter your code under the *Product Code* tab (similar to the process outlined in the National-Global report)
- **Note:** Most of these reports will only pull up the first 2-digits of a NAICS code, thus making them very broad in nature. In addition, there are only a limited number of industries covered in this particular report.
- Find and select the code that most closely matches your industry and click the *Update* button to continue
- Next, under the **Table Display** section, enter the time frame (yearly range) you want to see data for and also indicate if you’d like to see a \$ or % change calculated (similar to the process outlined in the National-Global report above)
- Finally, under the **Chart Display** section, select your formatting options (similar to the process outlined in the National-Global report above)
- **Note:** These reports include charts instead of maps
- Once you have chosen all of your preferences, click the *Go* button at the bottom of the page and your report will appear
- Once your report appears, you can choose to save and/or print your report following the instructions outlined above in the National-Global report

U.S. CENSUS BUREAU

<http://www.census.gov/foreign-trade/data/index.html>

The U.S. Census Bureau's Foreign Trade Division provides export statistics on goods and services with assistance from the U.S. Customs and Border Protection and from the Bureau of Economic Analysis. These statistics are reported monthly and reports can compile monthly, quarterly, and annual data. The reports relevant to our purposes are highlighted below.

Product-Specific Export Data Report

Need NAICS or SITC code

- Starting on the Data homepage, link above, select the *Country/Product Trade* link on the left hand side of the page
- Scroll down to the *Product Detail and Partner Country* section, in the middle of the page
- Next, select the *NAICS web application* link or the *SITC web application* link, depending on which classification code you want to use
- **Note: Regardless of which code you choose to use, you will have to scroll through a list of classifications to find your code, you can't simply enter your code on this site**
- For the purposes of our directions, let's select the *NAICS web application*
- Two drop-down boxes will appear, one for your NAICS code and one for your country
- Click the arrow in the first drop-down box to view all available NAICS codes, note that you'll start with the first 3 digits only
- Find your appropriate first 3 digits and click *Go*
- You will then be taken to a data table showing statistics for this 3-digit NAICS code; however, you can further classify your product by 6-digits (if available) by clicking on the drop-down arrow in the box that reads, "*Select 6-digit NAICS*"
- If your 6-digit code is available, select it and click *Go*
- Your report will now show export statistics for your classification code and every country in the world (listed alphabetically)
- This data will show the most recent month's data and cumulative totals through the current month
- **Note: This report does not compare yearly data in one chart, as was the case with the ITA reports. Rather, this report will show you export statistics for the current month and cumulative statistics for the current year. However, to see data for another month and/or year, simply change the month and/or year utilizing the appropriate drop-down boxes above the report.**

- Once you have your report customized to your preferences, scroll to the very bottom of the report where you'll have options to save and print your report
 - If you want to **save and/or print a copy of the report**, as it appears with no modifications, click the *Save as a text file* button
 - If you want to **modify this report**, then save/print a copy, click the *Save as a csv file* button
 - This will input the data into an Excel file that you can modify/edit, etc. (for example, in an Excel file you can re-arrange the countries so your data shows the largest export markets in descending order)
 - **Note:** Exporting the data into a .csv (Excel) file will require Excel proficiency

State Export Reports

- This site also has a couple of state specific export reports available that might be helpful
- **Note:** These reports could be helpful if: (1) you were interested to see if your product was among the top 25 commodities, and (2) you wanted to see who your state's top trading partners are
- From the data homepage, <http://www.census.gov/foreign-trade/data/index.html>, click on the *State Data* link on the left hand side of the page
- Then click the first link, *Exports and Imports*, at the top of the page under the *State Trade by Commodity and Country* section
- You will be directed to a page where you can choose your state, scroll down until you see your state (in our case North Carolina) and click on the *Exports* link under North Carolina
- You will then be taken to a page that includes two reports: one showing you the **Top Commodities** for NC and one showing you the **Top Countries** (or trading partners) for NC
- You can click on the corresponding links at the top of the page to view these reports or simply scroll down, as both reports will be visible
- Unfortunately there is not an easy way to save and download these reports (the instructions at the bottom of the page for saving your report don't always work)
- If you find this to be the case you can copy and paste the reports into a Word file, this way you can have a copy to save and print

FREE TRADE AGREEMENTS

At this stage in your research, it's a good idea to consider foreign markets the United States has an established trading relationship with, especially those included in a Free Trade Agreement (FTA). These trade agreements help reduce and/or eliminate trade barriers such as tariffs, quotas, and product standards. Free trade agreements create a stable trading environment that protects U.S. interests while providing convenience and low-cost options for exporters.

The United States currently has FTA's with the following 20 countries:

- **Australia** – Australian FTA
- **Bahrain** – Bahrain FTA
- **Canada** – North American Free Trade Agreement (NAFTA)
- **Chile** – Chile FTA
- **Colombia** – Colombia FTA
- **Costa Rica** – Dominican Republic-Central America FTA (CAFTA-DR)
- **Dominican Republic**– Dominican Republic-Central America FTA (CAFTA-DR)
- **El Salvador**– Dominican Republic-Central America FTA (CAFTA-DR)
- **Guatemala**– Dominican Republic-Central America FTA (CAFTA-DR)
- **Honduras**– Dominican Republic-Central America FTA (CAFTA-DR)
- **Israel** – Israel FTA
- **Jordan** – Jordan FTA
- **Mexico** – North American Free Trade Agreement (NAFTA)

- **Morocco** – Morocco FTA
- **Nicaragua**– Dominican Republic-Central America FTA (CAFTA-DR)
- **Oman** – Oman FTA
- **Panama** – Panama Trade Promotion Agreement
- **Peru** – Peru Trade Promotion Agreement (PTPA)
- **Singapore** – Singapore FTA
- **South Korea** – Korea FTA (KORUS)

In addition, the U.S. is currently in negotiations for two regional trade agreements, which are:

- **Trans-Pacific Partnership (TPP) Agreement** – includes (9) countries: Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the U.S.
- **Transatlantic Trade and Investment Partnership (TTIP)** – includes members of the European Union and the United States

To learn more about these FTA's, please visit the U.S. Trade Representative's website at:

<http://www.ustr.gov/trade-agreements/free-trade-agreements>

The U.S. also has a number of Trade & Investment Framework Agreements (TIFAs) with other countries. These agreements provide a strategic framework for the U.S. and partnering countries to discuss trade and investment issues including market access, labor, intellectual property rights, and the environment. For a list of the TIFA agreements and for more information, click here:

<http://www.ustr.gov/trade-agreements/trade-investment-framework-agreements>

Your IBD counselor can also provide more information about these trade agreements and help you evaluate the markets included in these agreements to determine which ones might be successful for your export endeavors.

Chapter 4

Market Analysis

Chapter 4

Analyze Target Markets

Now that you have identified your potential target markets, it's important to research and analyze the business environment, economy, political environment, and culture in each market. Further exploring your potential markets, having a broad understanding of what kind of market you would be entering, and realizing the obstacles you would have to encounter will often help you narrow down your target market selection. In addition, having this background information and cultural understanding will better prepare you to succeed in your international business activities and relationships.

Your IBD counselor is also a great resource and can help you analyze and interpret the information you will come across in this section.

EUROMONITOR PASSPORT

<http://www.lib.ncsu.edu/>

Euromonitor Passport is a global market research database providing valuable industry, country, and consumer information for over 200 countries through data, statistics, charts, reports, and analyses. The SBTDC has a subscription to Euromonitor and can pull industry reports and information for you. You do not need to provide any classification codes for these reports. However, be sure to provide an accurate description of your industry and market research requests to your IBD counselor so they can pull the most appropriate and relevant information for you. These reports can be provided in both print and electronic versions.

Note: This is a SBTDC subscription-based resource. Therefore, you will need to ask your IBD counselor to pull these reports for you.

EXPORT.GOV

www.export.gov

Export.gov is a website that brings together federal government resources to assist U.S. companies in their exporting efforts. The website is managed by the International Trade Administration (ITA) in collaboration with the U.S. Department of Commerce, Ex-Im Bank, SBA, the U.S. Department of State, and the U.S. Trade Representative, among other sources. This website has a wealth of country specific information as well as advice and resources for conducting international business. After you have explored the resources outlined below, we encourage you to further utilize this website.

Country Information

- A great way to begin exploring this vast site is to search for information on your specific target market(s)
- To search for information on your target market, type a backslash after the main website address and then your country's name (for example: if you want to search for information on Spain your web address would look like this: www.export.gov/spain)
- This will lead you to the homepage for Spain that contains a variety of information about doing business in Spain including business customs, upcoming trade events, and a list of useful links to other relevant information
- Explore the different resources on this page to discover which ones are useful and relevant for your purposes

Country Commercial Guide

- One report that is particularly helpful is the Country Commercial Guide (CCG)
- This report can often be found by visiting your country's homepage, as described above
- However, if it is not listed on the main country website (as is the case with Spain), then follow these steps:
 - Starting on the www.export.gov homepage, scroll down to the very bottom of the page and click on the *Market Research* linkthis will lead you to the homepage for Market Research which is <http://export.gov/mrktresearch/index.asp>

- Once there, click on the *Market Research Library* link in the middle of the page.... this will take you to the homepage for Market Research (you can also access this site easily by just typing in www.buyusainfo.net)
- Once there, select your country from the drop down box and click *Go*
- When your results appear, the CCG report is usually one of the first reports to appear.....if you don't see it at the top of the list scroll through until you find it
- Clicking on the guide will open it and then you will have the option to save and/or print this report
- *Note: These reports are usually rather large, well over 100 pages*
- Once you have this report, you can scroll through the other reports that were pulled and see if any are relevant to you

WORLD BANK, DOING BUSINESS

<http://www.doingbusiness.org/>

The World Bank, in partnership with the International Finance Corporation, created a project called **Doing Business** which analyzes business regulations across 185 global economies for small and medium-sized companies. These comprehensive data publications aim to encourage efficient cooperative trade among countries while serving as an information source on the business climate in each country. A few select publications are highlighted below.

Global Guide

The *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises* report analyzes business regulations in 185 economies and then ranks the economies in various areas. This 2013 report covers data between June 2011 and May 2012.

- To access this report, start on the homepage (link above)
- Scroll down until you see the *Doing Business 2013* report
- Click on the publication link and you'll be directed to a page where you can read a summary of the report and download a copy
- **Note:** this report is over 200 pages

Regional & Country Reports

- *Doing Business* also publishes regional and country specific reports
- Starting on the homepage, click the *Reports* tab at the top of the page
- If you want to view **Regional** reports, click on the *Regional* tab at the top of the page (ex: "*Doing Business in the Arab World*")
- The most current reports will be listed on the main page, with recent reports listed on the right hand side
- If you do not see your region listed, use the drop down boxes at the top of the page to try and find your region

- If you want to view **Country** specific reports, click on the *Subnational* tab at the top of the page (ex: “*Doing Business in Russia*”)
- Scroll through the recent reports and if your country/region is not listed, check the right hand side of the page to see reports from previous years (including drop-down boxes)
- In addition, you can also click on the *Thematic and Case Studies* tabs at the top of the page to browse through additional types of reports

Additional Resources

- **AmChams – American Chambers of Commerce Abroad**
<http://www.uschamber.com/international/directory>
- **CIA World Fact Book**
<https://www.cia.gov/library/publications/the-world-factbook>
- **Export-Import Bank of the United States**
<http://www.exim.gov>
- **FTA Tariff Tool**
<http://export.gov/FTA/ftatarifftool/index.asp>
- **International Monetary Fund**
www.imf.org
- **N.C. Department of Agriculture, International Trade Office**
<http://www.ncagr.gov/markets/international/index.htm>
- **N.C. Department of Commerce, International Trade Division**
<http://www.nccommerce.com/trade>
- **SBA (Small Business Administration)**
www.sba.gov
- **SBA Export Planner**
<http://www.sba.gov/exportbusinessplanner>
- **U.S. Agency for International Development**
www.usaid.gov
- **U.S. Commercial Services**
<http://www.trade.gov/cs>
- **U.S. Council for International Business**
<http://www.uscib.org>

- **U.S. Department of Agriculture, Foreign Agricultural Service (FAS)**
<http://www.fas.usda.gov>
- **U.S. Department of Commerce**
<http://www.commerce.gov>
- **U.S. Department of State, Country Information & Reports**
<http://www.state.gov/misc/list/index.htm>
- **U.S. International Trade Commission**
www.usitc.gov
- **U.S. Trade & Development Agency**
www.tda.gov
- **United Nations International Trade Statistics Yearbook**
<http://comtrade.un.org/ph>
- **United Nations Statistical Databases**
<http://unstats.un.org/unsd/databases.htm>



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