On Target Country

For Global Trade
Target Country
Evaluation & Selection
Circular process covering two related subjects:

- Method of entry: export, alliances, acquisitions, etc.
- Choosing the country or geographical region: where and why?

Developing the detailed service or product offering:

Pricing, promotion, service levels, organisation, human resource issues, etc.

Managing the business internationally:

---

Identifying the company's competitive and other resources

Company's international objectives

Analysing the market
Global Market Selection

- Pot of Gold
- Competitive White Space
- Growth Markets With Active Spending

Your Strengths
International Marketing Decisions

1. Deciding whether to go abroad
2. Deciding which markets to enter
3. Deciding how to enter the market
4. Deciding on the marketing program
5. Deciding on the marketing organization
LOCATING ......target.....MARKETS
INTERNATIONAL MARKET SELECTION PROCESS

- International marketing objectives
- Parameters for selection
- Preliminary screening
- Short listing of markets
International Market Selection Process

Steps

1. Segmentation, targeting & positioning
2. Collection of relevant data on each country
3. Analysis of relevant data
4. Filtering less promising countries
5. Selecting most promising countries
Market Selection: Other Factors

- Political restrictions
- Special requirements
- Product specification
- Distant location
- Market accessibility
- Business community
Alternative approaches to market selection

- The first category of approaches focuses on whether to enter overseas markets on an incremental basis or whether to enter a number of overseas markets simultaneously and on the basis of experience decide which markets to concentrate on.
GLOBAL TARGET MARKET SELECTION

- Target markets should be selected after careful consideration of various factors like political embargo, scope of exporter’s selected product, demand stability, preferential treatment to products from developing countries, market penetration by competitive countries and products, distance of potential market, transport problems, language problems,
- collect adequate market information before selecting one or more target markets.
International Market Selection

- Which market/s to enter?
- What the "right market" to enter is?
- What is "international market"?
  - 1. a country or a group of countries
  - 2. a group of customers with nearly the same characteristics (from several countries)

**Market opportunities:**

- Existing markets
- Latent markets – recognized potential
- Incipient markets – market does not exist now - indication/trends - future emergence of need
Target Market Selection

**Target Market**: group of individuals who have similar needs, perceptions and interests; show inclination towards similar brands and respond equally to market fluctuations.

- Understand consumer lifestyle
- Age group
- Income
- Spending capacity
- Education & profession
- Gender
- Mentality, paradigm & thought process
- Social status
- Environment
Process of International Markets Selection

1. Segmentation criteria
2. Segment profiles
3. Scanning (BERI, other indexes)
5. Target markets within target countries

Microsegmentation
Target countries selection
Global market segmentation
Steps in LOCATING ......target.....MARKETS
Selection of Foreign Markets

Initial Screening
Basic Needs Potential/Foreign Trade Investment

Second Screening
Economic and Financial Forces

Third Screening
Political and Legal Forces

Fourth Screening
Sociocultural Forces

Fifth Screening
Competitive Forces

Final Selection
Personal Visit
## Location Choices

- Why be concerned with location choices?
- Decisions related to location choices

## INTEL: The Scanning Process

- Why use scanning?
- Insert figure 13.2

## Scanning and Detailed Analysis

- Scanning first
  - Types of information gathered
- Detailed Analysis
Screening potential markets

Step 1: Identify Basic Appeal

Step 2: Access national business environment

Step 3: Measure market size

Step 4: Select the market
Elements of market entry strategies

1. Choice of target product/market
2. Setting objectives and goals
3. Choice of entry mode
4. Design the marketing plan
5. Target market

Control systems: monitoring operations / Revising entry strategy
Opportunities: Sales Expansion

• Sales expansion
  – Demographic and economic factors to consider

Opportunities: Resource Acquisition

• Securing Resources
  – Cost considerations
Strategy Dimension

- Market/Segment Choice
- Customer Relationships
- Distribution/Service

Decisions

- Must/May Markets?
- Entry? (Timing, Scale, Mode)
- Communications Mix
- Distribution Structure/Partners

Options

- Volume
- Technology
- Competition
- First Mover? Entry Scale? Mode (Export, Turnkey, Licensing, Franchising, Joint Venture, Alliance, Own Subsidiary)
- Push/Pull
- Global Accounts
- Local vs. Global Brand
- Partnering
- After Service
Criteria for .....Global Market(s)....
<table>
<thead>
<tr>
<th>MARKET</th>
<th>POPULATION</th>
<th>ACCESS</th>
<th>BUSINESS ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macroeconomic stability</td>
<td>Size and growth</td>
<td>Infrastructure</td>
<td>Ease of doing business</td>
</tr>
<tr>
<td>Consumer market size and growth</td>
<td>Age structure</td>
<td>Internet</td>
<td>Regulations</td>
</tr>
<tr>
<td>Middle class</td>
<td>Vital statistics</td>
<td>Retail landscape</td>
<td>Corruption</td>
</tr>
<tr>
<td>Openness</td>
<td>Urbanisation</td>
<td>Partners</td>
<td>Human capital</td>
</tr>
<tr>
<td>Criteria (with weighting)</td>
<td>Dairy</td>
<td>NTFPs</td>
<td>Vegetables</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>Unmet Market demand (x2)</td>
<td>5 (10)</td>
<td>4 (8)</td>
<td>3 (6)</td>
</tr>
<tr>
<td>Number of poor producers (x2)</td>
<td>5 (10)</td>
<td>3 (6)</td>
<td>4 (8)</td>
</tr>
<tr>
<td>SSP competitiveness</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Gender</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Climate change</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Total weighted score</td>
<td>30</td>
<td>25</td>
<td>24</td>
</tr>
</tbody>
</table>
What types of .....Global Market(s)....
The world is a fertile hunting ground for yield

Stocks with yield 3% and higher as of October 31, 2016

DEVELOPED EX-US MARKETS
415

EMERGING MARKETS
303

UNITED STATES
132

Sources: MSCI and RIMES. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.
To further complicate matters, when it comes to “ease of doing business”, the top 10 fastest growing emerging markets(1) range widely.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>South Korea</td>
<td>4</td>
<td>1</td>
<td>Russia</td>
<td>51</td>
<td>14</td>
<td>Kuwait</td>
<td>101</td>
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<tr>
<td>Malaysia</td>
<td>18</td>
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<td>Colombia, Turkey</td>
<td>54, 55</td>
<td>15, 16</td>
<td>Philippines</td>
<td>103</td>
<td>28</td>
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<tr>
<td>Poland</td>
<td>25</td>
<td>3</td>
<td>Greece, Indonesia</td>
<td>60</td>
<td>17</td>
<td>Sri Lanka, Bangladesh</td>
<td>107</td>
<td>29</td>
</tr>
<tr>
<td>UAE</td>
<td>31</td>
<td>4</td>
<td>Qatar, Oman, Ecuador</td>
<td>68, 70</td>
<td>18, 19</td>
<td>Argentina, India</td>
<td>116</td>
<td>31</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>36</td>
<td>5</td>
<td>South Africa, Tunisia</td>
<td>73, 74</td>
<td>20, 21</td>
<td>Egypt, Pakistan</td>
<td>131</td>
<td>35</td>
</tr>
<tr>
<td>Romania</td>
<td>37</td>
<td>6</td>
<td>Morocco, Saudi Arabia</td>
<td>75</td>
<td>22</td>
<td>Nigeria, Bangladesh</td>
<td>169</td>
<td>37</td>
</tr>
<tr>
<td>Mexico</td>
<td>38</td>
<td>7</td>
<td>Ukraine, Vietnam</td>
<td>80</td>
<td>23</td>
<td>Bangladesh</td>
<td>174</td>
<td>38</td>
</tr>
<tr>
<td>Croatia</td>
<td>40</td>
<td>8</td>
<td>China, Vietnam</td>
<td>84</td>
<td>25</td>
<td>Moderate (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>41</td>
<td>9</td>
<td>Somewhat Difficult (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>42</td>
<td>10</td>
<td>Extremely Easy (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>48</td>
<td>11</td>
<td>Somewhat Easy (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>49</td>
<td>12</td>
<td>Moderately Easy (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peru</td>
<td>50</td>
<td>13</td>
<td>Extremely Difficult (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Out of the top 10 fastest growing emerging economies in 2014, only Malaysia and UAE rank in the top 30 countries globally in terms of ease of doing business, the others rank lower than 83.

Note:
(1) As measured in 2014
(2) Economy Rankings of Ease of Doing Business (June 2015)
(3) The total number of countries ranked by WorldBank for Ease of Doing Business include 189 countries
(4) See appendix for rationale for list of countries included
A look at private consumption can provide yet another perspective. Other countries may emerge as more attractive when private consumption as a % of GDP is better understood.

In China, private consumption as a % of GDP is ~37% as compared to 50% or higher in most other emerging markets.

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Note:
1. The scale for India and China is different from the scale for rest of the top 10 countries.
2. GDP at Market Prices (Constant 2005 US$)

Sources:
(A) World Bank
In terms of size, the largest emerging markets in 2014 were the same as those in 2005 with only slight changes in their ranking.

- **Top 10 Countries by GDP (1) - 2005**
  - China: $2,269 bn
  - South Korea: $898 bn
  - Brazil: $892 bn
  - Mexico: $866 bn
  - India: $834 bn
  - Russia: $764 bn
  - Turkey: $483 bn
  - Saudi Arabia: $328 bn
  - Poland: $304 bn
  - Indonesia: $286 bn

- **Top 10 Countries by GDP (1) - 2014**
  - China: $5,270 bn
  - India: $1,598 bn
  - South Korea: $1,239 bn
  - Brazil: $1,206 bn
  - Mexico: $1,069 bn
  - Russia: $1,000 bn
  - Turkey: $673 bn
  - Saudi Arabia: $523 bn
  - Indonesia: $472 bn
  - Poland: $428 bn

The most dramatic change in ranking is India, which moved from fifth position to second from 2005 to 2014.

---

**Note:**

(1) GDP at Market Prices (Constant 2005 US$)

(2) Please see the appendix for the list of countries considered for this analysis.
Selecting an entry mode

Technological Know-How

Wholly owned subsidiary, except:
1. Venture is structured to reduce risk of loss of technology.
2. Technology advantage is transitory.
Then licensing or joint venture OK

Management Know-How

Franchising, subsidiaries (wholly owned or joint venture)

Pressure for Cost Reduction

Combination of exporting and wholly owned subsidiary
Evaluating ...target... Markets
An Agile and Adaptable Global Markets Action Plan

- Periodic assessment
- Economic analysis and benchmarking
- Market-specific challenges and opportunities
- Identification of target markets and tools to deploy
- Three-year individual market plans

Priority markets and market access plans will be periodically reviewed based on strategic advice and consultations with key stakeholders, including representatives from the critical SME sector.
Evaluating Market Segments

- Segment Size and Growth Potential
  - Sales, profitability and growth rates

- Segment Structural Attractiveness
  - Competition, substitute products,
  - buyers & supplier power, new entrants (Porter’s Five Forces)

- Company Objectives and Resources
  - Core competencies
  - “What business do we want to be in?”
Evaluating Market Attractiveness PowerPoint Shapes

- High Attractiveness
- Medium Attractiveness
- Low Attractiveness

Business Position:
- Strong
- Medium
- Weak
Evaluating Market Segments

• Segment Size and Growth
  – Analyze current segment sales, growth rates, and expected profitability

• Segment Structural Attractiveness
  – Consider competition, existence of substitute products, and the power of buyers and suppliers

• Company Objectives and Resources
  – Examine company skills & resources needed to succeed in that segment
  – Offer superior value and gain advantages over competitors
Marketing Strategy

Evaluating Market Segments

- Expected growth rates
- Demand
- Profitability
- Competition intensity
- Competitive advantage
- Speed of payment
- Price sensitivity
- Cost of marketing activities
- Compatible with business aims and objectives
Evaluating Market Segments

- **Segment Size and Growth**
  - Analyze current segment sales, growth rates, and expected profitability.

- **Segment Structural Attractiveness**
  - Consider effects of: competitors, existence of substitute products, and the power of buyers & suppliers.

- **Company Objectives and Resources**
  - Examine company skills & resources needed to succeed in that segment.
  - Offer superior value and gain advantages over competitors.
Market Targeting

Evaluating Market Segments

- Segment structural attractiveness:
  - Competition
  - Substitute products
  - Power of buyers
  - Power of suppliers
Five Criteria for Evaluating Potential Market Segments

- Measurability
- Accessibility
- Substantiality
- Compatibility
- Responsiveness
EVALUATING / SELECTING MARKETS

• Evaluation is based on a number of criteria:
  – market-related characteristics
  – cost-related aspects
  – the regulatory framework
  – tariffs, duties & non-tariff trade barriers

• The entry decision may vary by country
  – item weights and components
Evaluating Global Growth Opportunities

<table>
<thead>
<tr>
<th>2006 Ranking</th>
<th>Country</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>76</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>63</td>
</tr>
<tr>
<td>3</td>
<td>India</td>
<td>61</td>
</tr>
<tr>
<td>4</td>
<td>Russia</td>
<td>59</td>
</tr>
<tr>
<td>5</td>
<td>United Kingdom</td>
<td>57</td>
</tr>
<tr>
<td>6</td>
<td>Malaysia</td>
<td>48</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>46</td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>46</td>
</tr>
<tr>
<td>9</td>
<td>Canada</td>
<td>44</td>
</tr>
<tr>
<td>10</td>
<td>Spain</td>
<td>41</td>
</tr>
<tr>
<td>11</td>
<td>Philippines</td>
<td>40</td>
</tr>
<tr>
<td>12</td>
<td>Turkey</td>
<td>40</td>
</tr>
<tr>
<td>13</td>
<td>South Africa</td>
<td>40</td>
</tr>
<tr>
<td>14</td>
<td>Germany</td>
<td>40</td>
</tr>
<tr>
<td>15</td>
<td>France</td>
<td>39</td>
</tr>
<tr>
<td>16</td>
<td>Taiwan</td>
<td>39</td>
</tr>
<tr>
<td>17</td>
<td>Vietnam</td>
<td>38</td>
</tr>
<tr>
<td>18</td>
<td>Thailand</td>
<td>37</td>
</tr>
<tr>
<td>19</td>
<td>Netherlands</td>
<td>36</td>
</tr>
<tr>
<td>20</td>
<td>Sweden</td>
<td>35</td>
</tr>
</tbody>
</table>

Rankings are based on weighted score using growth (55%), risk (25%), and market size (20%).

*Weighted index.

Evaluating Market Segments

Segment Size and Growth
- Analyze current segment sales, growth rates, and expected profitability.

Segment Structural Attractiveness
- Consider effects of: competitors (how aggressive are they?), existence of substitute products (do they limit prices?), and the power of buyers & suppliers (bargaining power).

Company Objectives and Resources
- Examine company skills & resources needed to succeed in that segment.
- Offer superior value & gain advantages over competitors.
Factors to Analyze Regarding Risk

• Factors to consider with risk
• Types of Risks
Analyze... Risk

Table 13.1 Simplified Country Comparison Grid

This table is merely an example. In reality, a company chooses the variables and countries to consider (usually many more than this table demonstrates) and weights some variables as more important than others. Here managers eliminate Country I because the company will go only where 100 percent foreign ownership is allowed. Country II is the most attractive because it’s regarded as having high opportunity and low risk. (With a larger number of scanned countries, several should end up with these characteristics and become the ones for detailed analysis.) Country III offers low opportunity and risk, and Country IV has high opportunity and risk. (One of these may be chosen for further analysis, depending on the company’s tolerance for risk.) Country V is eliminated because of having low opportunity and high risk.

<table>
<thead>
<tr>
<th>Country Variable</th>
<th>Weight</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Acceptable (A), Unacceptable (U)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Allows 100% foreign ownership</td>
<td></td>
<td>U</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>2. Opportunity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Sales potential</td>
<td>0–5</td>
<td></td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>b. Labor conditions</td>
<td>0–3</td>
<td></td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>c. Infrastructure</td>
<td>0–2</td>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>d. Ease of external integration</td>
<td>0–4</td>
<td></td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>e. Possibility of governmental incentives</td>
<td>0–3</td>
<td></td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>f. Tax rate</td>
<td>0–2</td>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>16</td>
<td>9</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>3. Risk (lower number = preferred rating)</td>
<td>0–4</td>
<td></td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>a. Political</td>
<td>0–3</td>
<td></td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>b. Foreign exchange</td>
<td>0–4</td>
<td></td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>c. Natural disaster</td>
<td>0–2</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>d. Competitive</td>
<td>0–2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>3</td>
<td>2</td>
<td>12</td>
<td>10</td>
</tr>
</tbody>
</table>
Example on How to Analyze Risk

Figure 13.1 Regional Emphasis of Burger King

Based on data from 2015 Burger King 10K Report. The sales figures are for 2013, and the restaurant figures are for 2014.
Shortcomings of Comparative Country Information

- Inaccuracy
- Non-Comparability

Strategies for International Expansion: Alternative Gradual Commitments

- Alternative Gradual Commitments
- Insert figure 13.4

Strategies for International Expansion: Diversification, Concentration, Reinvesting

- Diversification Strategy
- Concentration strategy
- Reinvesting and Harvesting

Non-Comparative Decisions

- Decision Making Process
- Go-no-go decisions
- Interdependence
Selecting and Evaluating Market Segment

- Single-segment concentration
- Selective specialization
- Product specialization
- Market specialization
- Full-market Coverage
Target Marketing: evaluate and select

The process of evaluating each market segment’s attractiveness and selecting one or more segments to enter.
Define the market for the organization → Create market segments → Evaluate the segments on a set criteria → Construct segment profiles → Evaluate the attractiveness of the segments → Develop and implement marketing mix → Review performance → Develop positioning strategy → The full market segmentation process
Consumer Universe

- 40% meet demographic criteria
- 30% meet behavioural criteria

TARGET MARKET = 15%

Winning Concepts

- Choice-Based Conjoint: Constructs strong features packages
- Qualitative Exploration: Screens and refines concepts and communication
- Max Diff Scaling: Prioritizes prototypes and benefit features
- Monadic Testing: Validates concepts and predicts uptake
What is a market evaluation not?

Market evaluations are intended to be a high-level document or first step in the decision-making process, not a definitive roadmap for how to enter a market.

To determine the path to market or mode to market, there are several extensions of the market evaluation:

- Market Entry and Partnership Evaluations
- Industry Monitoring and Trend Analysis
- Competitive Intelligence
Evaluation of International Markets: Two Main Approaches

Considering international market as country or group of countries

«+» Secondary information is often enough
«+» A lot of information on the country
«+» Sales and marketing often organized divided by countries
«-» From the marketing point of view it is crucial to work similarly with similar customers, and vice versa

Considering international market as groups of consumers (from different countries) with similar behavior

«+» More adequate information
«+» More possibilities to adapt products to the needs of foreign consumers
«-» Firm needs to conduct primary research
«-» Problems in finding reliable cross-national statistics
Evaluating Growth Opportunities for Gifts to Go

Market Attractiveness

- **Market Penetration**
  - Increase size of present stores *(low)*
  - Open additional gifts stores in Chicago area *(medium)*

- **Market Expansion**
  - Open gift stores outside Chicago area – new geographic segment *(medium)*
  - Sell lower priced gifts in present stores – new benefit segment *(medium)*
Step 4 - Evaluate Relevant Market Segments

- After analyzing the segment profiles, a marketer has identified several relevant market segments which require further analysis.
  - Several factors should be analyzed, including:

  - Sales Estimates
  - Competition
  - Estimated Costs

Dr. Chen, Principle of Marketing
Market Attractiveness/Competitive Position Matrix

Evaluation of International Markets

- **UK**: Aggressive investment
- **Japan**: Aggressive investment
- **China**: Cautious investment
- **Germany**: Cautious investment
- **France**: Minimal investment
- **Mexico**: Minimal investment
- **Brazil**: Minimal investment
# Market attractiveness evaluation

<table>
<thead>
<tr>
<th>Factor</th>
<th>Scoring Criteria</th>
<th>Score</th>
<th>Weighting</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market Size (£ millions)</td>
<td>£250 £51.250 &lt; £50</td>
<td>5</td>
<td>15</td>
<td>0.75</td>
</tr>
<tr>
<td>2. Volume Growth (Units)</td>
<td>10% 5.9% &lt; 5%</td>
<td>10</td>
<td>25</td>
<td>2.5</td>
</tr>
<tr>
<td>3. Competitive Intensity</td>
<td>Low Medium High</td>
<td>6</td>
<td>10</td>
<td>0.6</td>
</tr>
<tr>
<td>4. Industry Profitability</td>
<td>&gt; 15% 10.15% &lt; 10%</td>
<td>8</td>
<td>25</td>
<td>2.0</td>
</tr>
<tr>
<td>5. Vulnerability</td>
<td>Low Medium High</td>
<td>3</td>
<td>15</td>
<td>0.9</td>
</tr>
<tr>
<td>6. Cyclicality</td>
<td>Low Medium High</td>
<td>2.5</td>
<td>10</td>
<td>0.25</td>
</tr>
</tbody>
</table>

**Total** 7.0

This form illustrates a quantitative approach to evaluating market attractiveness. Each factor is scored multiplied by the percentage weighting and totaled for the overall score. In this example, an overall score of 7 out of 10 places this mark in the highly attractive category.
The International Market Entry Evaluation Process

- Country Identification
- Preliminary Screening
- In-Depth Screening
- Final Selection
- Direct Experience

Adapted from J.K. Johansson (2000)

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