

# MARKET RESEARCH

FIND THE RIGHT MARKETS  
TO GROW YOUR BUSINESS

## KEY TOPICS

- How market research works
- Getting started on secondary research
- Effective research in four stages
- Market research resources
- Building your shortlist
- Primary research - exploring the market first-hand
- Where to go for help
- Useful tools



**EXPORT  
ESSENTIALS  
GUIDES**



**Market research helps you make better international business decisions right from the start – and reduces the risk of expensive mistakes. Focus on a shortlist of markets with the most potential, tackle your research step by step, and rank the most promising options, before heading overseas to confirm the reality on the ground.**

## How market research works

Market research will help you decide which markets will get you the best returns for your investment, and which ones you should tackle first. It takes a lot of uncertainty out of your decisions, because you'll have a complete picture of how a new market works before you commit money and resources.

There are two types of market research:

- **secondary research**, where you're looking at information that others have collected about a market
- **primary research**, where you're getting the information yourself first-hand.

**Secondary research** is the bit that comes first – including gathering all the resources you can find locally or online, and tapping into contacts already in the market. This is the 'desk research' component that you can do without leaving your office, or by making contact with people locally who know about your potential markets.

If a market looks promising after secondary research, you can move into **primary research** – by visiting the target market, and talking to potential customers and distributors to understand the business environment directly.

The idea is to start with the easiest and cheapest tasks, then move onward step by step towards the harder bits when it looks like they'll be worth your time and money. There's no point spending large on an overseas trip before you know some kind of opportunity exists.

Most importantly, don't try to tackle too many markets at once. Most exporters do best by picking their single most promising market at a given time, getting the most they can out of it, and then repeating that process for the next most attractive location (and so on).

## Getting started on secondary research

The first step in researching any new market is to gather basic information. You'll need to find out all about import duties, regulations, distribution channels, competition, market size and potential growth, demographics, and local production. This will enable you to assess opportunities in this market, and work out what it will cost to pursue them.

You can access a huge range of free online sources for this information. Look for articles with the most recent dates when searching online – there's no point using old data.

### A few key tips for getting started:

- Search online with keywords for the country and industry you're interested in.
- Look for data that can be easily compared across markets, such as income per capita or import numbers.
- Use data on New Zealand to compare with the market you're researching, so you can get a sense of the opportunity (or challenge) compared to what you're used to at home.
- Look at what your competitors are doing.
- Talk to people already operating in the market – use New Zealand networks such as KEA (Kiwi Expats Abroad), or check with NZTE to ask about current exporters you can talk to.
- Keep an eye out for seminars and business events for your market of interest.
- Talk to customs brokers and freight forwarders who have experience in the market.

It can be a good idea to contact local universities to find students who can help with secondary research. Some will have internships or work experience with business as a course requirement, so this is an affordable way to get the information you need and help out a future businessperson at the same time.

While you're doing your desk research you might come across specialist paid databases, covering one or several markets. If all the other signs so far are looking good, these resources can be well worth the extra cost.

Another option is to hire a company in the market to give you more detailed information – but you'll need to be prepared to pay. Doing some of your own research first will give you a basic idea of what you're looking for, so you don't waste money going in the wrong direction.

## Effective research in four stages

Nobody wants to spend months gathering information online just to discover their chosen market is a dud. Staging your secondary research is the best way to save time and effort, and make sure you're spending time on the research that's most likely to pay off.

**Instead of doing everything at once, split the job up into these four stages, and treat each one as a “go” or “no go” point for the next stage along:**

- 1 Entry barriers** – can you enter the market?
- 2 Market attractiveness** – is it a good place for doing business?
- 3 Market opportunity** – is there a real opportunity for what you offer?
- 4 Paths to market** – do you have a suitable way to reach customers?

If you get through one stage with your chosen, you can go on to the next stage and investigate further. If you don't get through, you can stop your research there, and move on to something else that's more worthwhile.

**START HERE**



**1**

**Are there any entry barriers to the market?**

**Tariffs**

What are the import taxes applied by each market to your export product or service?

**Compliance**

What are the market specific regulations that apply to your export product or service?

**GO? / NO GO?**



**2**

**Is the market attractive?**

**Economic and Business Environment**

Is the economic environment in your market suitable for doing business and exporting your product or service?

**Demographics and Political Environment**

How will demographics such as population and income affect the success of your product or service in each market?

**GO? / NO GO?**



**3**

**Is there a market opportunity for my product?**

**Trade Data**

How much of each type of your product is each market importing or exporting? What are the competing markets?

**Competition**

What information is available on competing companies and products in each market?

**GO? / NO GO?**



**4**

**What are my potential paths to market?**

**Channels**

What information is available on different sales channels and models? What are their advantages and disadvantages?

**Partners**

What information can be sourced on potential partners in each market?



**DECISION**



## MAKE THE MOST OF YOUR LIBRARY

Many local libraries subscribe to paid databases, and can offer free access if you have a library account – check online to see what you can get. You can also get advice from specialist librarians to help you find out what’s available and where to look.

### Market research resources

Here’s a selection of resources you can use at each stage of the research process. This is just a starting point – ask your professional contacts, advisors, or other businesses for tips on what’s available and what has been helpful for them.

#### Entry barriers

##### ITC Market Access Map

 [macmap.org](http://macmap.org)

Tariff data across all global markets, drawn from International Trade Centre (World Trade Organisation) data.

##### New Zealand FTA Tariff Finder

 [tariff-finder.fta.govt.nz](http://tariff-finder.fta.govt.nz)

Detailed data for markets covered by New Zealand’s free trade agreements.

#### Compliance and regulatory bodies

Government agencies in New Zealand can provide basic information on compliance for international markets – for instance, MBIE holds overseas market access requirements for food products, available at [foodsafety.govt.nz](http://foodsafety.govt.nz)

For detailed info, search online for in-market agencies that will be overseeing compliance for your product or service. One example is the US Food and Drug Administration (FDA) which regulates food imported into the United States, online at [fda.gov](http://fda.gov)

### Market attractiveness

#### Ease of Doing Business

 [doingbusiness.org](http://doingbusiness.org)

Global rankings which indicate how easy (or hard) it is to do business in various overseas markets.

#### FAOSTAT

 [fao.org/faostat/en](http://fao.org/faostat/en)

Detailed data on food and agriculture markets worldwide, compiled by the United Nations Food and Agriculture Organization (UNFAO).

#### OECD Data

 [data.oecd.org](http://data.oecd.org)

Provides data on a range of industries such as agriculture, energy, health and information technology, across the countries of the Organisation for Economic Cooperation and Development (OECD). This includes New Zealand data, allowing you to compare overseas markets with New Zealand.

#### World Bank Data

 [data.worldbank.org](http://data.worldbank.org)

Data for a range of indicators that can give an idea of the demographic and economic environment and market size for your product or service.

## Consultancies

Consultancies such as Deloitte, PWC and McKinsey publish a range of papers focusing on different trends, industries and markets. Some are paid content but a lot of material can be accessed for free.

## Market opportunity

### ITC Trade Map



Global data from the WTO on imports and exports, which can give an indication of market demand for your product or service.

### Statistics New Zealand Infoshare



Offers official data on New Zealand's imports and export to international markets - handy for seeing if there is existing demand for New Zealand products or services similar to yours.

### Competitor websites and e-commerce platforms

Check online if your local or international competitors are active in your target market.

Global e-commerce platforms like Amazon (amazon.com) and local e-commerce leaders like Japan's Rakuten (global.rakuten.com/en) can help you gauge what's already on sale in your target market, including pricing and product features.

## Paths to market

### Export.gov US Country Commercial Guides



Country-specific guides with detailed sections on market entry strategies and channel information. These are prepared mainly for US exporters but are a good resource for information on channels and paths into different markets.

## Industry and trade associations

Industry (or trade) associations are organisations that advocate for their members in a specific market or industry. Many provide a full list of members, or market-specific research that can help you identify potential channel partners or competitors. Search online for associations in your target market, or check out local firms' websites to see who they are working with.

## Building your shortlist

Once you've worked through all the research stages for several possible markets, you can start to build a shortlist and work out which market will be your top priority.

Use our Market Research Template online to help you with the process: [nzte.govt.nz/tools-and-templates/researching-and-selecting-export-markets](https://nzte.govt.nz/tools-and-templates/researching-and-selecting-export-markets).

### For each market, ask yourself the following questions:

- What is the environment like for doing business?
- What demand is there for your product or service?
- Why would a customer buy your product or service (what is your value proposition)?
- What is the potential market size, and what market share do you think you can gain?
- Will it be profitable?
- Can your target market afford your product? How easy will it be to access this market?
- What distribution channels are there for your product?
- What changes will you have to make to your product or service to fit the market?

You should come out of the process with a front-runner market. If everything looks good, it's time to get on a plane and get to know the market first hand.

## Primary research – exploring the market first-hand

The best way to get a feel for what's happening is to get your boots on the ground and go for a visit. This will also give you a chance to check out the competition, their pricing and distribution channels, and how you're going to compete with them.

### Take the time to do the following:

- Walk the streets
- Observe and talk to buyers or consumers
- Look at what's on offer locally, and think about where your product or service would fit
- Talk to prospective channel partners, key retailers, wholesalers, brokers, and potential partners
- Test any assumptions that you may have
- Attend trade shows to look at what your competitors offer and how they sell.

### Also find out:

How are products or services sold in your category?

Who would use your product or service, and do they use it differently from your customers at home?

What do supermarkets, retail outlets or other channels look like?

For physical products, how are they stored and displayed, and will the climate affect your product?

Will you need to adapt your product or service for that market?

Make sure you schedule in some face-time with the most promising contacts you found in your secondary research. Prepare any meetings and visits in advance to make sure that you make the most of your time overseas.

You should be a lot better informed by the time you head home from your initial market visit – so take note of what you still need to do before launching your export venture and taking the next step in your export plans.

## Where to go for help

### Regional Business Partners

The Regional Business Partner Network (RBP) has specialist growth advisors available to provide you with advice, information and connections to support your business.

 [regionalbusinesspartners.co.nz](https://regionalbusinesspartners.co.nz)

### Research Association New Zealand (RANZ)

RANZ is a New Zealand industry body dedicated to professional providers and users of research, data and insights. Their website features a searchable database of professional research specialists, which you can use to find specialists in particular industries and sectors.

 [researchassociation.org.nz](https://researchassociation.org.nz)

### Customs Brokers and Freight Forwarders Federation (CBAFF)

CBAFF is New Zealand's national federation of freight forwarders and customs brokers, affiliated with the wider transport industry. You can access a list of members online for help with logistics and export requirements, including guidance for overseas markets.

 [cbaff.org.nz](https://cbaff.org.nz)

### New Zealand Export Credit Office (NZECO)

NZECO provides financial guarantee products to help New Zealand exporters grow internationally. They can help exporters capitalise on trade opportunities around the globe by securing export sales, managing risk and helping access trade finance. NZECO is located in The Treasury and their financial guarantees and insurance policies are fully backed by the New Zealand Government through the Minister of Finance.

 [nzeco.govt.nz](https://nzeco.govt.nz)



## Useful tools

Our Market Research Template is a great tool for structuring your secondary research and working through a shortlist for market selection. Check it out here:

 [nzte.govt.nz/tools-and-templates/researching-and-selecting-export-markets](https://nzte.govt.nz/tools-and-templates/researching-and-selecting-export-markets).

You'll also find more useful tools and templates, including an Export Plan template, at

 [nzte.govt.nz/tools-and-templates](https://nzte.govt.nz/tools-and-templates)

Get a fuller picture of exporting with our other Export Essentials Guides, available for download at

 [nzte.govt.nz/export-assistance/export-essentials-guides](https://nzte.govt.nz/export-assistance/export-essentials-guides)

The New Zealand Story is a free toolkit that provides a simple set of brand values, images, videos and presentations that can help you define your value proposition and promote your business offshore.

 [nzstory.govt.nz](https://nzstory.govt.nz)



## About NZTE

Export Essentials resources are brought to you by New Zealand Trade and Enterprise (NZTE), New Zealand's international business development agency. We exist for one purpose: to grow businesses internationally, bigger, better and faster, for the good of New Zealand.

We're here to help you get the right focus and information at the right time in your exporting journey, whether you need practical help to get started, a deep partnership to develop a fully global business, or anywhere in between.

Find out more at [nzte.govt.nz/about](https://nzte.govt.nz/about) or get in touch with us: [nzte.govt.nz/contact-us](https://nzte.govt.nz/contact-us)

## Go further with Export Essentials Workshops

Wherever you want to take your business next, it's good to know you're on the right track. NZTE's Export Essentials Workshops put you in full control of your export plans, using lessons learnt by New Zealand businesses in markets around the world.

Find out more and register for upcoming workshops at [nzte.govt.nz/essentials](https://nzte.govt.nz/essentials)

