

International Market Research Resources

a) Schedule B Number

What is it?

A Schedule B number (and the related Harmonized System number - discussed below) is a 10-digit number that identifies the commodity you are exporting. Every tangible item falls under a Schedule B number - except one: human beings. Otherwise, it's got a number!

So what's a Harmonized System number?

Across the globe, countries have agreed (harmonized, get it?) to use the same 6 digits to describe goods. This is called the Harmonized System, and you may see the numbers expressed as an H.S. number. Countries can use an additional 4 digits to make the data more detailed and granular - and those digits can be unique to each country, which you'll find with our 10-digit Schedule B numbers. But the first 6 digits are the same, everywhere.

For a Schedule B search engine to find the number for a product, use: <https://uscensus.prod.3ceonline.com/>

b) ITC Trade Map

The [ITC Trade Map](#) is a subscription database offered by the International Trade Center.

<https://www.trademap.org/Index.aspx>

The ITC Trade Map provides a number of trade indicators:

- Import volumes, in units, tons or dollars
- Concentration of import sources
- Annual growth of imports
- Average distance of imports
- Tariff data (VERY important!)

c) MSU GlobalEDGE

Michigan State University's [GlobalEDGE website \(Links to an external site.\)](#) (or, if that link doesn't work, the direct URL is: <https://globaledge.msu.edu/>) is an amazing - and FREE! - tool for learning about foreign markets. It does offer a country comparator tool,

but we really like it for diving into the details of the top prospective markets that we've identified through the scorecard process. We can find info about their currency, Ease of Doing Business, even a Corruption Index!

One of the best features of MSU's Global Edge is their Market Potential Index (MPI), which looks at about two dozen indices to give a rough score to each country.

d) World Bank Indicators

The [World Bank \(Links to an external site.\)](#) offers hundreds of up-to-date indicators that we may utilize for our international market research: <https://data.worldbank.org/indicator>

e) Trade Stats Express

[Trade Stats Express \(Links to an external site.\)](#) from the International Trade Association gives us state by state trade data, useful as we build our country scorecard, but also as a way to check our assumptions and act as a "check sum" to our other data. If all other sources point to one country or bloc as a potential market, Trade Stats Express lets us see if they are actually buying from our state - and what they're buying.

<http://tse.export.gov/tse/tsehome.aspx>

f) UN Comtrade

From: <https://unstats.un.org/unsd/trade/b/Knowledgebase/50075/What-is-UN-Comtrade> (Links to an external site.)

"UN COMTRADE (Links to an external site.) is the pseudonym for United Nations International Trade Statistics Database. Over 170 reporter countries/areas provide the United Nations Statistics Division (UNSD) with their annual international trade statistics data detailed by commodities/service categories and partner countries... The [UN COMTRADE \(Links to an external site.\)](#) is the largest depository of international trade data. It contains well over 3 billion data records since 1962 and is available publicly on the internet."

For our purposes, UN Comtrade data is more anecdotal - once we have some likely international markets, we can use it to see past shipments and perhaps verify our assumptions.

<https://comtrade.un.org/>

g) International Trade Compliance Institute

Maurice Kogan has decades of experience in international trade and it shows in his excellent - and expansive - [International Trade Compliance Institute website \(Links to](#)

[an external site.](#)), in which he collects and categorizes nearly 1000 useful links! It should be noted: the title is a bit of a misnomer, as the site goes far beyond compliance issues and we've used it, very successfully, as part of international market research.

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

h) Culture is always a consideration!

When bringing a product or service to another country, culture must be considered at every step of the way. There have been some notable failures when companies failed to do so:

a) Gerber baby Foods found out the hard way that, in countries with low literacy rates (something you can check in the [World Bank Indicators \(Links to an external site.\)](#), although the data is a little thin - scroll down to the regions at the bottom for more actionable numbers), shoppers often learn what's inside a bottle or can from the picture on the label. So, what could go wrong? What was on the label?

Gerber's international problems aren't all in the rear window, however: Gerber
- *Translates to:* "vomit" in French. :-0

b) Other language hiccups include the Chevy Nova, which, when sold in Spanish speaking countries, meant "no go."

and

Hulu - Translates to: "butt" in Indonesian, "hair" in Hawaiian, and "cease" and "desist" in Swahili

c) Ford introduced a car to the Indian market with electric windows in the front for the parents and roll-up windows in the back for, you know, the kids. Only: who sits in the back in India? In wealthy families, the owners do! And they were cranky that they had window cranks!

d) Trying to market a four-pack of your company's beverage in Japan? The number 4 is associated with death there, so much so that some buildings don't list a 4th floor in their elevators.

e) Target didn't fully understand the Canadian consumer and lost a reported \$5.4 billion (that's billion with a 'b'!) when they entered - and quickly left - the Canadian market a few years ago. You can read more about that failure [here \(Links to an external site.\)](#).

i) International Markets Scorecard

Thus far, we've been looking at data sources and indices, and downloading the data from these sources. Next, we build Excel spreadsheet that compiles this data, weight it

according to our assumptions and then sort out the top performing countries. We will then have an excellent indication that those top 5 or 10 countries on the scorecard may be excellent potential markets for our products or services. You can watch a video showing the process of creating one:

https://youtu.be/CqbQ_u0LGxY

Scorecard basics:

- Keeping each indicator on its own tab (for example, population) makes for a cleaner looking scorecard
- Not all indices use the same name for a country (ex: South Korea aka. S. Korea aka. Republic of Korea) so you will likely need to go into the data and clean up a few country names. Make sure you're comparing apples to apples!
- Likewise, make sure that huge numbers (such as population, again) don't dwarf smaller numbers such as Michigan State University's Global Edge Market Potential index (MPI), which ranges from 1 to 100. We do this by dividing the entire data set by it's highest number and multiplying by 100. Thus, China's highest population will appear as 100, India as 98, etc., and the range can be compared with other data sets.
- You can weight each data set. This is a totally subjective process, but not all data is created equal. In the Excel example, we weighted Market Potential Index (MPI) and Gross Domestic Product (GDP) twice as heavily as population and imports.

Information on the formulae used:

Here is one of the Excel formulas we use in the scorecard:

```
=IFNA(VLOOKUP(A3,Pop!$A20:$B283,2,FALSE),0)
```

Vertical Lookup (VLOOKUP) basically means that we're telling Excel to go to a cell, such as A3, which is the cell containing a country name, and then look at a cell to the right of it to return a number, such as Population. You can learn more about the VLOOKUP here: <https://support.office.com/en-gb/article/vlookup-function-0bbc8083-26fe-4963-8ab8-93a18ad188a1> (Links to an external site.)

IFNA tells Excel to return a result (such as a zero) rather than an error message, if a cell turns out to be empty. An error message will cause a formula to break down, whereas a zero won't. You can learn more about the IFNA here: <https://support.office.com/en-us/article/ifna-function-6626c961-a569-42fc-a49d-79b4951fd461>