

STAT-USA Companion to International Marketing

Highlighting Accessibly-Designed Information and Communications Technology

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Foreword

The *STAT-USA Companion to International Business: Highlighting Accessibly-Designed Information and Communications Technology* is the second publication released by STAT-USA providing instruction on how to use federal information resources in market research and analysis. Using an effective combination of theory and practical applications, this publication presents the basic principles of international marketing and walks readers through how to use the available data to make informed business decisions. In keeping with the principal objective of the inaugural 2001 publication, the purpose of this publication is to better support international marketing, and thereby our Nation's economic competitiveness, through training and education.

This edition improves upon the first in two important ways. First, it encourages companies involved in the burgeoning assistive technology arena. U.S. companies have provided a leading role in developing assistive technologies; yet, additional support is needed to ensure successful international business transactions in this important and rapidly growing niche market. Secondly, this publication includes expanded instructional materials for the academic community. The experiential exercises in the original *Companion* proved especially popular among educators for use in undergraduate international marketing curriculum. Responding to their feedback, this edition includes updated exercises and instructions, as well as guidance for those not already familiar with the information and databases maintained on STAT-USA/Internet and USA Trade *Online*.

This project was conducted under a partnership including STAT-USA, the electronic information dissemination arm of the U.S. Department of Commerce's Economics and Statistics Administration; Professor Michael Czinkota of Georgetown University; Steve Jacobs of IDEAL Group, Inc., a leading research, development, and training company specializing in the design of accessible information and communications technology; and the Information Technology Technical Assistance and Training Center located at the Georgia Institute of Technology.

Your continued interest is very important to us. Please send an email to statusa.training@esa.doc.gov or call 1-800-STAT-USA (1-800-782-8872) with questions and/or comments.

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This PDF document was written in 2005. All screenshots and documentation is current as of that date. However, system changes have been made since then and will be reflected in subsequent section updates.

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Preface

This volume aims to make you a better, more successful participant in the international marketplace by providing assistance in analyzing market data and translating your findings into a powerful knowledge base that leads to successful business transactions. Learning about both theory and practice will inform your conceptual understanding of the field of international marketing and help you become more firmly grounded in the realities of the global marketplace. This volume approaches international marketing in the way the manager of a firm does, reflecting different levels of global involvement and the importance of business-government relations.

What makes this volume special is its particular focus on accessibly-designed information and communications technology (ICT) and the identification of key linkages between international marketing and such technology. As will be developed further in the text itself, this volume recognizes three key axioms. First, the United States has, due to reasons of wealth, law, and enlightenment assumed a leadership role in designing, developing, and manufacturing accessibly-designed ICT and assistive technology which can bring substantial benefits to individuals worldwide. Second, international marketing and accessibly-designed ICT share many conceptual similarities, in that their key objective is to overcome barriers and remove hurdles to interaction and communication. Third, by participating in international marketing, firms can benefit from their competitive advantage, and thus not only penetrate more markets with more profits, but also serve their home markets at a lower cost and with higher entrepreneurial impetus due to lower costs.

Firms and individuals differ widely in their international activities and needs, depending on their level of experience, resources, and capabilities. For those just beginning to enter the

global market, the level of knowledge about international complexities is low, the demand on time is high, expectations about success are uncertain, and the international environment is often inflexible. Conversely, for a multinational firm that is globally oriented and employs thousands of people on each continent, much more leeway exists in terms of resource availability, experience, and information.

Since most large international corporations begin as small businesses, this work concentrates on presenting a perspective of the business environment that focuses on the beginning internationalization of the firm. The emphasis is on the needs of those who are starting out and the operational questions that are crucial to success. Some basic and essential issues addressed are: What is the difference between domestic and international marketing? Do the wants, needs, and preferences of individual consumers vary based upon legal, cultural, educational, societal, and technological differences from country to country? How does one find out whether there is a market for a product abroad without spending a fortune in time and money on research? How can a firm promote its products abroad? How can one take advantage of government programs?

These questions are addressed both conceptually and empirically, with a strong focus on export operations. The reader will see how the international commitment is developed and strengthened within the firm, how research is conducted, and how international decisions are made. All of these concepts are then applied in a series of Experiential Exercises using data housed on two of STAT-USA®'s Web services, STAT-USA/Internet™ (<http://www.stat-usa.gov>) and USA Trade® Online (<http://www.usatradeonline.gov>).

We expect that this approach to international marketing will permit you to become well versed in both the operational and the strategic aspects of the field. As a result, you should

develop a better understanding of how the global market works and the capability to participate in the international marketing imperative yourself.

Chapter One: The Global Marketing Imperative

Working with this volume offers you the opportunity to engage in an exciting, important, and necessary task: the exploration of international marketing. International marketing is exciting because it combines the art and science of business with many other disciplines. Engineering, computer science, finance, management information systems, economics, statistics, anthropology, cultural studies, geography, history, languages, jurisprudence, demographics, and many other fields combine to help you explore the global market. You will be exposed to new environments and, with the help of information provided by STAT-USA[®], you will learn how to analyze them. Doing so will stimulate your intellectual curiosity and enable you to absorb and understand new phenomena.

International marketing is important because the marketplace has become global. After experiencing the material presented here, and observing international marketing phenomena, you will see what happens, understand what happens, and, at some time in your future, perhaps even make it happen.

In the current climate, economic isolation has become impossible and failure to participate in the global marketplace assures a nation of declining economic capability and its citizens of a decrease in their standard of living. Successful international marketing, however, holds the promise of an improved quality-of-life, employability, independence, better societies, and perhaps a more peaceful world.

In this new economy based on open borders, niche marketing, instant communication, and virtually free ways to reach millions of consumers, we are witnessing a historic and unprecedented opportunity for individuals to enter the international marketplace. Start-up firms

can challenge the existing and long dominant large corporations, as speed and creativity have in many cases become more important to success than size.

Those who do not develop an international marketing strategy, use the latest technologies, cultivate innovative alliances, and carve niches in a truly global marketplace will not be competitive and will be left on the shoulder of the information superhighway, soon to be towed away.

This is no longer just about foreign direct investment, agent and distributor relationships, multinational corporations, and marketing in upscale, traditional European markets.

International marketing is about increasing sales and profits, identifying and carving out a global market niche, reducing dependence on increasingly competitive domestic markets, conducting online market research, selling by using state-of-the-art online marketing techniques, understanding emerging legal issues in this new information-based economy, protecting and securing information and ideas, being able to facilitate online payments, and understanding the new and emerging technical issues and opportunities critical to international marketing.

While this publication explores key fundamentals of international marketing, it can only provide an overview of the field. Important details on analysis and implementation can also be gleaned from the author's textbook *International Marketing* (7th Edition, Thomson Learning, 2004).

What is International Marketing?

In brief, international marketing is the process of planning and conducting transactions across national borders to create exchanges that satisfy the objectives of individuals and organizations. It has forms ranging from export-import trade to licensing, joint ventures, wholly owned subsidiaries, turnkey operations, and management contracts.

International marketing is a tool that helps improve one's present position. The fact that a transaction takes place "across national borders" highlights the difference between domestic and international marketing. The international marketer is subject to a new set of environmental factors, different constraints, and to frequent conflicts resulting from different laws, cultures, and societies. The basic principles of marketing still apply, but their applications, complexity, and intensity may vary substantially. It is in the international marketing field where one can observe most closely the role of marketing as a key agent of societal change and as a key instrument for the development of socially responsible business strategy. When one looks, for example, at the economies covered by the Central American Free Trade Agreement, one can see the many new challenges confronting international marketers. How does the marketing concept fit into these societies? How can marketing contribute to economic development and the betterment of society? Similarly, in the international areas of social responsibility and ethics, the international marketer is faced with a multicultural environment with differing expectations and often inconsistent legal systems when it comes to monitoring environmental pollution, maintaining safe working conditions, copying technology or trademarks, or dealing with demands for bribes.

One of the greatest challenges and opportunities for individuals and firms will be market expansion that reflects economic efficiency but takes into account differences in political, technological, and human realities. For example, the average consumer living in one of the ten largest emerging markets faces radically different challenges and opportunities regarding their ability to access and use Internet content to transact commerce than individuals living in the United States.

As displayed in *Table 1.1*, the weighted average international Internet bandwidth bits-per-second per capita for the top ten emerging markets (3.3 billion consumers) is 212. By

comparison, the average bits-per-second per capita in the United States is 1,324. In Canada, it is 2,848! Unquestionably, e-commerce Internet appliances and services designed to operate efficiently from within the United States and Canada will not, necessarily, make them accessible, usable, or useful to consumers operating from within low-bandwidth infrastructures. Designing with access in mind can help to accommodate such differences.

Table 1.1: Internet Bandwidth for the Top Ten Emerging Markets

Country	Population (Millions)	International Internet Bandwidth (bits-per-second per capita)
China	1,306.3	489.0
South Korea	48.4	361.5
Poland	38.6	163.6
Russian Federation	143.4	61.2
Mexico	106.2	56.9
Brazil	186.1	53.7
South Africa	44.3	12.4
Turkey	69.7	10.6
Indonesia	242.0	2.7
India	1,080.3	1.6
Weighted Average International Bandwidth:	3,265.3	211.7

Source: International Telecommunications Union, International Internet Bandwidth. (2005). Retrieved April 15, 2005 from <http://www.itu.int/ITU-D/ict/dai/>.

To achieve success in the art of international marketing, it is necessary to be grounded firmly in its scientific aspects. Only then will individual consumers, policymakers, and business executives be able to incorporate international marketing considerations into their thinking and planning. Only then will they be able to consider international issues and repercussions and make decisions based on the answers to such questions as these:

- How will my idea, product, or service fit into the international market?

- What marketing adjustments are or will be necessary?
- What threats from global competition should I expect?
- How can I work with these threats to turn them into opportunities?
- What are my strategic global alternatives?

If all of these issues are integrated into each decision made by individuals and by firms, international markets can become a source of growth, profit, needs satisfaction, and quality of life that would not have existed had they limited themselves to domestic activities.

Accessibly-designed ICT and International Marketing

This volume is unique in its focus on international marketing and the global market forces driving the need for accessibly-designed information and communications technology (ICT). Although the terms “accessibility” and “accessible design” are often associated with products designed to be accessible, usable, and useful to people with disabilities, the access needs of international consumers are in many ways similar. This publication uses the term “accessibly-designed ICT” to describe the ease with which *any user* can learn to prepare inputs for, operate, and interpret the outputs of ICT.

In 1997, North Carolina State University’s Center for Universal Design documented and published seven “Principles of Universal Design”:

- **Equitable Use:** The design is useful and marketable to people with diverse abilities.
- **Flexibility in Use:** The design accommodates a wide range of individual preferences and abilities.
- **Simple and Intuitive Use:** Use of the design is easy to understand, regardless of the user’s experience, knowledge, language skills, or current concentration level.

- **Perceptible Information:** The design communicates necessary information effectively to the user, regardless of ambient conditions or the user’s sensory abilities.
- **Tolerance for Error:** The design minimizes hazards and the adverse consequences of accidental or unintended actions.
- **Low Physical Effort:** The design can be used efficiently and comfortably and with a minimum of fatigue.
- **Size and Space for Approach and Use:** Appropriate size and space is provided for approach, reach, manipulation, and use regardless of user’s body size, posture, or mobility.

The Principles of Universal Design are all-inclusive, even though, from a technical standpoint, it is impossible to design any product to be accessible by everyone under all circumstances.

Throughout this edition, and especially in *Chapter Four*, the term “accessibly-designed ICT” is used to refer to ICT that has been designed with the objectives of:

- Adhering to the universal design principles outlined above;
- Maximizing social inclusion; and,
- Being both technically possible and economically feasible from a manufacturing standpoint.

The availability and use of accessibly-designed ICT in big, emerging markets greatly lags behind that of developed countries. Good international business practices dictate that manufacturers avoid *unintentionally* excluding *large populations* of consumers from being able to access and use their products. Consumer groups at the highest risk of being excluded are as follows:

- Users of English as a second language;
- People living in countries where bandwidth is low;
- Consumers with disabilities;
- People 65+ years of age;
- Individuals who never learned to read;
- People living in societies that speak many languages; and,
- Consumers living in countries where the average population density is high.

Assistive Technology

Assistive technology (AT) is one way to overcome access barriers presented by ICT products that are otherwise inaccessible to people with disabilities. The Assistive Technology Industry Association (ATIA) defines AT as “any item, piece of equipment, product, or system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve the functional capabilities of persons with disabilities.”¹ Examples of AT might include something as simple as a magnifying glass, or as complex as a computerized screen reader. Although AT can be quite useful, it may not always be compatible with ICT and is not always affordable, especially in the international marketplace as we will see below.

Typically, one might expect accessible ICT design and international marketing to be seen as very separate – yet we see them closely linked conceptually. Through its application, accessibly-designed ICT can overcome barriers and obstacles that hinder individuals from fully participating in activities open to others. Thus it manifests itself by letting people, who may be blind, for example; fully participate in accessing and using ICT. Alternatively, if an individual is not able to read, accessibly-designed ICT can break down this communication barrier. This is

important because in the top ten emerging markets alone there are an estimated 452 million people² who have never learned to read.

The advent and use of ICT as a medium for creating, disseminating, obtaining information is quickly replacing the use of print. Access to information and communications technology (ICT) can be difficult for people with sensory impairments such as blindness and low vision³. Although ICT is revolutionizing the lives of people with vision impairments in the developed world, the situation is far less encouraging in developing countries.

For example, China has one-fifth of the world's blind population: seven million people who cannot see at all, or see so badly they can't walk without help. The Chinese Ministry of Public Health projects that if current trends continue, China's blind population will increase four-fold by 2020. Blindness in China is caused by many factors⁴. For example, arid climates make growing fruits and vegetables difficult, leading to malnutrition and blindness. Limited water means bathing less often and opens doors to infection and disease. Residents in high-altitude regions develop cataracts from exposure to the sun's strong ultraviolet rays. Rural Chinese often share towels and washbasins. This can spread eye disease among family members.

Although many persons with vision impairments in developing countries have heard about AT, only more privileged citizens tend to acquire these tools. Not only is AT too expensive for a majority of individuals to purchase, there are often no government services offered in support of accommodating the ICT access needs of people who are blind. Because of a lack of disability support services, only five percent of people who are blind living in developing countries have access to primary education.

Such statistics indicate a large, untapped market for ICT that is accessible to people who are blind. Many of the same types of technologies designed to help people who are blind can

also accommodate the access needs of people who never learned to read. However, political realities may make doing business in such regions a very sensitive issue.

Now let's take a look at a few examples through the lens of the international marketer. When conducting international marketing in an effort to expand company reach beyond one's national borders, one typically runs into new conditions. These are very often characterized by one's inability to understand what others are saying – because they speak a different language. Similarly, these others do not understand what we are saying, because they hear us speaking a different language as well. More fundamentally, however, we encounter marketing barriers and obstacles because we run into limitations of our capabilities and restrictions that result from culture. Through our international marketing effort, we attempt to understand these difficulties, prepare for them, and overcome them.

International marketing and accessibly-designed ICT can nourish and nurture one another. For example, some of the plain language writing techniques pioneered to make content more understandable to people with reading disabilities have become instrumental in facilitating language translation efforts. It is with a debt of gratitude to language researchers and rehabilitation professionals that industry can translate content from one language to another at a lower cost. At a time when competitiveness has become the watchword of global business, we can proudly point to an ICT industry that is aware of, and able to, design for access. This knowledge advantage can be harnessed to create a competitive ICT advantage, and in doing so benefit from knowledge gained over the past decade.

The Importance of World Trade

In the new millennium, world trade has become increasingly important. In the last decade alone, world merchandise and services trade expanded from less than \$5 trillion to more

than \$9.5 trillion.⁵ Trade growth is much higher than the growth of domestic economies and, as a result, many new countries and firms have found it highly desirable to become major participants in international marketing.

Firms not only trade but also invest on a global scale. International specialization has made production much more efficient. At the same time, consumers, union leaders, policymakers, and sometimes even the firms themselves are finding it increasingly difficult to define where a particular product was made since subcomponents may come from many different nations.

Individuals and firms have come to recognize that they are competing both domestically *and* in a global marketplace. World trade has given rise to global linkages of markets, technology, and living standards that were previously unknown and unanticipated. At the same time, it has deeply affected domestic policy-making and has often resulted in the emergence of totally new opportunities as well as threats to firms and individuals.

The importance of participating in the electronic and global economy cannot be overemphasized. Internet use is growing faster than use of any other technology in history. The estimated number of Internet users worldwide in June 2005 was 889 million. Perhaps even more striking, recent statistics suggest that Internet usage has grown, on average, by 146 percent per year since 2000.⁶ By 2007, the number of Internet users is expected to grow to 1.35 billion.⁷ All this growth introduces a new level of multiculturalism into the Web experience.

International Marketplace 1.1 provides some examples.

International Marketplace 1.1: Multicultural Websites in a Changing World

As the Internet expands worldwide, English is declining as the dominant language on the Web. Since 2001, Web usage and e-business have grown at a faster rate in Europe and Asia than in the United States.⁸ With more Spanish and Mandarin-speaking people using the Internet, offering Websites in each language of the target markets is becoming a necessity. This includes providing automated translation and having a linguistically, culturally, and technically

trained staff to deal with sales queries and support issues.

LeAnn Barber, an e-commerce consultant for Scient (now SBI & Company), comments: “[A]s more content becomes available as more people use the Internet, content producers are incentivised to use the Internet as a medium.”⁹ Consequently, because content or information attracts Web users who are located beyond country borders, companies must prepare to accommodate these customers as well as domestic patrons.

Direct translation is only one of several aspects to consider in creating a multilingual Website. Other factors include colors and images, which can have different cultural implications depending on the national origin of the user. In many cultures, for example, black is a somber color of mourning, whereas in others it represents the opposite emotions. Also, if images are provided with captions, they may need to make sense within the cultural context of the target audience. For example, a German bank advertisement featured an image of mice sitting on coins, accompanied by the caption, “Here you can bring your mice.” In German, the word “mice” is slang for “money.” However, a direct translation into English would make no sense to non-Germans.

Culture can also affect the design and operations of a Website. For example, many Japanese customers do not have any credit card information to send over the Internet. In response, many e-commerce Websites have reformed sales processes to accommodate Japanese customers. Buyers can order online and then pick up their goods at a local store or a collection point at which they can pay cash.

The symbol “x” is commonly used to select items or to indicate “yes” in America Internet-speak. In Switzerland and Korea, the “x” symbol actually connotes the opposite message. Such examples point out the need to implement a marking system that is sensitive to the various needs of customers around the world.

Furthermore, you must consider the work behind the Website, often composed of a large staff strategizing about the exact content that can be used on the front end of the Website. Increasingly, companies are outsourcing this process to a local Web-design team rather than attempting in-house to comprehend the needs of foreign customers. “The dotcom side of this business is just the tip of the iceberg,” says Bryan Richter, European vice president of Stellent, the U.S.-based content management system vendor. “The public Website is just a very small subset of the content that a business needs to manage.”

Just think of how the European Commission, which manages EUROPA, the European Union’s (EU) multilingual Internet site, incorporated the languages of the ten new EU countries that joined on May 1, 2004. For one of the world’s biggest Websites, giving access to all the public information and official documents produced by the European Union in those new languages continues to require increasingly automated information production and content management tools to improve cooperation among information providers, editors, and translators.

The use of the Internet has dramatically reduced marketing and communication costs, changed communications patterns (when is the last time you sent a letter?), reduced time-to-market for goods and services, and allowed for exciting, new, and unusual business alliances. For example, one new Internet phenomenon is “blogging.” A blog, or Weblog, is a Web application that contains periodic posts on a common Webpage, typically available to any Internet user. The totality of Weblogs is usually termed the “blogosphere,” where blogs run from individual diaries to entire media programs or even political campaigns.¹⁰ The blogging phenomenon has also found influence and importance in the business world: “posting pioneers” say blogging has helped them network, increase sales, and lobby – all at a fraction of the cost of traditional media.¹¹

As Internet technology advances around the world and overcomes problems with reliability and speed, it will be used in unprecedented ways to exchange information and trade goods and services. Many large firms now integrate online technology into their older electronic data interchange systems to build new Internet-based systems for more efficient supply chain management and inventory control.

Using the Internet effectively, small firms based anywhere in the world can create niches, know their customers and use technology to deliver goods and services not just in time, but with time to spare. The focus of international marketing is no longer exclusively on large multinational corporations, but also individuals who understand the new economy and how to survive and thrive in it.

Simply put, the Internet continues to pervade international marketing. Individuals and firms increasingly use the Internet to survey customers in foreign countries at virtually no cost, craft a marketing message, and supply information and pictures to targeted consumers without

having to spend a dime on expensive, glossy, paper marketing catalogues. They are able to manage and transfer funds without the intervention of expensive financial institutions. In spite of the many changes already brought about by the Internet and technology, the real impact remains to be seen.

Global Linkages

World trade has forged a network of global linkages that bind us all – countries, institutions, and individuals – much closer than ever before. A drought in Brazil and its effects on coffee production are felt around the world. A decline of the Mexican peso affects markets in the United States and reverberates throughout Poland, Hungary, and the Czech Republic. Iraq's invasion of Kuwait, the subsequent Persian Gulf War, and the current conflict in Iraq have impacted oil prices, stock markets, trade, and travel flows in all corners of the earth.

These linkages have also become more intense on the individual level. Communication has built new international bridges, be it through music or international programs transmitted by television or on the Web. News products have attained international appeal and encouraged similar activities around the world. Low cost transportation linkages make it easy for people from different countries to see and meet each other. Common cultural pressures also result in similar social behavior. For example, more dual-income families are emerging around the world, which leads to more frequent, and also more stressful, shopping.

World trade is also changing corporate processes; never before has it been so easy to gather, manipulate, analyze, and disseminate information. Innovation in technology and marketing affects the efficiency and effectiveness of all business activities. Products can be produced quicker, obtained less expensively from sources around the world, distributed at lower cost, and customized to diverse clients' needs. As an example, only a decade ago, it would have

been thought impossible for a firm to produce parts for a car in more than one country, assemble the car in yet another country, and sell it in still other nations. Today, such global investment strategies, coupled with production and distribution sharing are becoming routine.

Advances in technology also allow firms to separate their activities by content and context. Many firms can now operate in a market space. For example, a newspaper can now be distributed globally online rather than house-to-house on paper, thereby allowing an expansion to new customer groups.

The level of global investment is at an unprecedented high. Currently, well over one-third of the workers in the U.S. chemical industry toil for foreign owners.¹² As the value of the dollar has declined, it has become less expensive for foreign investors to acquire entities in the United States. Therefore, U.S. society has become much more “internationalized,” with many of the office buildings Americans work in being owned by foreign landlords. The opening of plants abroad and in the United States increasingly takes the place of trade. All these developments make us more and more dependent on one another.

This interdependence, however, is not stable. For example, for the first 200 years of its history, the United States looked to Europe for markets and sources of supply. Today, U.S. bilateral trade with Asia far outpaces U.S. trade with Europe. Trade with Latin America is growing rapidly, and those looking to Africa also encounter new opportunities.

Not only is the environment changing, the pace of change grows faster. Atari’s Pong was first introduced in the early 1980s; today, action games and movies are made with computerized humans. The first office computers emerged in the mid-1980s; today, home computers have become commonplace. E-mail was introduced to a mass market in the 1990s. Today, a little over a decade later, college students rarely send personal notes using a stamp and an envelope.

These changes, and the speed with which they came about, have significantly affected countries, corporations, and individuals. One change is the role of participants. For example, the United States accounted for nearly 20 percent of world merchandise exports in the 1950s, but by 2003, this share had declined to less than ten percent. In many other nations, the proportion of trade and therefore its impact is even higher. Also, the way countries participate in world trade is shifting. In the past two decades, the role of primary commodities in international trade has dropped precipitously, while the importance of manufactured goods and of services has increased.

Domestic Policy Repercussions

The effects of closer global linkages on the economics of countries have been dramatic. Policymakers have increasingly come to recognize that it is very difficult to isolate domestic economic activity from international market events. Decisions that once were clearly in the domestic purview have now become subject to revision by influences from abroad. Sometimes domestic policy measures are counteracted or even cancelled out by the activities of global market forces.

A lowering of interest rates domestically may make consumers happy or may be politically wise, but it quickly becomes unsustainable if it results in a major outflow of funds to countries that offer higher interest rates. Agricultural and farm policies, which historically have been strictly domestic issues, are suddenly thrust into the international realm. Any policy consideration must now be seen in light of their international repercussions due to influences from global trade and investment. For example, over the past decade, the U.S.-EU trade in goods has more than doubled, estimated to be more than \$500 billion in 2004.¹³ A few statistics show its size and diversity: bilateral trade between the parties amounts to over \$1 billion a day;

investment links are even more substantial, totaling over \$1.8 trillion a year. Each partner creates jobs for about six million workers on each side of the Atlantic, and U.S.-EU trade accounts for almost 40 percent of world trade.¹⁴

Global trade has changed many previously held notions about nation-state sovereignty and influence abroad. The same interdependence that has made us more affluent has also left us more vulnerable. Clearly, closer economic relations can result in many positive effects. At the same time, however, interdependence brings with it risks, such as dislocations of people and economic resources and a decrease in a nation's capability to do things its own way.

Opportunities and Challenges in International Marketing

To prosper in a world of abrupt changes and discontinuities, of newly emerging forces and dangers, of unforeseen influences from abroad, consumers and firms need to prepare themselves and develop active responses. New strategies need to be envisioned, new plans need to be made, and our way of thinking and of doing business needs to change. From a policy perspective, the way to obtain and retain leadership, economically, politically, or morally, is – as the examples of Rome, Constantinople, and London have amply demonstrated – not through passivity or resting on one's laurels but rather through a continuous, alert adaptation to the changing world environment. To help a country remain a player in the world economy, a government needs to aggressively provide a competitive platform that permits innovation, process improvements, and creativity to flourish.

The growth of global business activities offers increased opportunities. International activities can be crucial to a firm's survival and growth. By transferring knowledge around the globe, an international firm can build and strengthen its competitive position. Firms that heavily depend on long production runs can expand their activities far beyond their domestic markets

and benefit from reaching many more customers. Market saturation can be avoided by lengthening or rejuvenating product life cycles in other countries. Production sites once were inflexible, but now plants can be shifted from one country to another and suppliers can be found on every continent. Cooperative agreements can be formed that enable all parties to bring their major strengths to the table and emerge with better products, services, and ideas than they could produce on their own. In addition, research has found that firms that market internationally tend to face a lower probability of insolvency and less average risk than do domestic companies. The jobs held by their employees are better paid and more secure. At the same time, international marketing enables consumers all over the world to find greater varieties of products at lower prices and to improve their lifestyles and comfort. It also allows individuals to offer their skills globally, thus enriching the lives of many. *International Marketplace 1.2* gives one such example.

International Marketplace 1.2: A Global Services Industry: Finding Basketball Players

Tall kids in countries around the world are finding golden opportunities on American basketball courts. The number of foreign players on U.S. college and professional basketball teams has recently jumped from 144 to 243 in a four-year period, and American recruiters can't seem to get enough of the foreign imports. Hakeem Olajuwon, a former star of the National Basketball Association from Nigeria, has achieved the status of folk hero among many fans around the globe. Many credit his success with the current rush to recruit players from abroad.

Stiff competition for the tallest players has even lead to recruiting foreign players at younger levels of the sport; high schools commonly use foreign exchange programs to fortify their teams with foreign players through middlemen, like the Nigerian lawyer, Toyin Sonoiki, who spent \$500,000 to send nine players to U.S. schools.¹⁵

The role of middlemen is crucial in obtaining visas for the students. Another Nigerian lawyer, Lloyd Ukwu, lives in Washington, D.C., and recruits on business trips back home. He started helping young Nigerians obtain U.S. visas in 1988. After meeting some players on a trip to Nigeria, he asked an assistant basketball coach at American University to write invitations for eight Nigerian players to visit the United States. These letters were influential in helping them win visas. Word spread about Ukwu's recruiting efforts, and soon other universities were using his services.

The internationalization of the sport has changed the jobs of many American coaches and recruiters. For years, college recruiting used tip sheets to describe U.S. high school players, but now there is one recruiting service that gives the scoop on foreign players as well. Dale Mock, a Georgia elementary-school physical education teacher, runs International Scouting Service, begun in 1993. His tip sheets give subscribers the details about and contact information for foreign players from over 80 countries for \$425 a year. Dale Brown, Louisiana State's former coach, described the internationalization of the recruiting scene: "In the 1960s, I would go to the European championships, to the Asian games and all the rest – and I was the only American. Now, so many Americans are there it's like being in Grand Central Station." States Marty Blake, National Basketball Association's Director of Scouting: "The International Scouting Service...is a must for keeping abreast of young talent throughout the world."¹⁶

International opportunities require careful exploration. What is needed is an awareness of global developments, an understanding of their meaning, and a development of capabilities to adjust to change. Firms must adapt to the international market if they are to be successful. One key facet of the marketing concept is adaptation to the environment. Even though many executives understand the need for such adaptation in their domestic market, they often believe that international customers are just like the ones the firm deals with at home. It is here that many firms commit grave mistakes that lead to inefficiency, lack of consumer acceptance, and sometimes even corporate failure. As *International Marketplace 1.3* shows, conditions and constraints around the world can differ substantially, which in turn requires different market plans and approaches.

Firms increasingly understand that many key difficulties encountered in doing business internationally are marketing problems. Judging by corporate needs, a background in international marketing is highly desirable for employment, not only for today but also for long-term career plans.

Many firms do not participate in the global market due to managers who believe international marketing is somehow reserved for multinational corporations. While there are some very large international corporations active in the world market, smaller firms have become

major participants, too. Increasingly we find smaller firms, especially in the computer and telecommunications industries that are born global, since they achieve a worldwide presence within a very short time.

International Marketplace 1.3: A Glimpse of the World in the New Century

One of the drivers behind the move toward global marketing strategies has been the notion that the consumer needs are becoming more alike. Yet drastic differences in the development of various regions of the world remain and are bound to continue existing well into the new century.

Such differences warrant differentiation in both marketing and pricing strategies. Here are just a few examples of what a baby in the Western world and a baby in the less developed one may face upon birth in the new millennium.

The Western Baby:

- In Switzerland, she will live to the age of 83, while he will live to the age of 77.
- In the Netherlands, there is a 100 percent chance she will use adequate sanitation.
- In the United States, her family's income will likely be about \$36,110 per annum.
- In Canada, he will share one square mile with eight other people.
- In Italy, she will be living in a city, as 90 percent of the population does.

The Baby of the Less Developed World:

- In Sierra Leone, she will live to the age of 36, while he will live to the age of 34.
- In Niger, there is a 20 percent chance she will use adequate sanitation.
- In Uganda, her family annual income is likely to be about \$1,360.
- In China, he will share one square mile with 352 other people.
- In India, she will be living in the rural area as 72 percent of the population does.

Source: Population Reference Bureau, DataFinder. (July 29, 2005). Retrieved August 2, 2005 from <http://www.prb.org>.

Those firms and industries that are not participating in the world market have to recognize that in today's trade environment, isolation has become impossible. Willing or unwilling, we are all becoming participants in global business affairs. Even if not by choice, most firms and individuals are affected directly or indirectly by economic and political developments that occur in the international marketplace. Those that refuse to participate are relegated to react to the global marketplace, and therefore are unprepared for harsh competition from abroad.

Some industries have recognized the need for international adjustments. Farmers understand the need for high productivity in light of stiff international competition. Car producers, computer makers, and firms in other technologically advanced industries have learned to forge global relationships to stay in the race. Firms in the steel, textile, and leather sectors have shifted production, and perhaps even adjusted their core business, in response to overwhelming onslaughts from abroad. Other industries in some countries have been caught unaware and have been unable to adjust. The result is the extinction of firms or entire industries such as VCRs in the United States and coal mining and steel smelting in other countries. Many firms, however, have recognized the opportunities presented by the international market and have taken advantage of them by accumulating an unprecedented market share and substantial profits, providing stable and highly paid jobs to their employees and opening a world of choice and improvement to their consumers. The remainder of this publication aims to make international marketing success even more frequent through education and in-depth training.

Chapter Two: Constructing the Knowledge Base for Market Focus

The single most important cause for failure in the international marketplace is insufficient preparation and information. Major mistakes often occur because the firm and its managers do not have an adequate understanding of the business environment. Many firms either do not believe that international market research is worthwhile or face manpower and resource bottlenecks that impede research. Yet building a good knowledge base is a key condition for subsequent marketing success. To do so, one needs to accumulate data and information through research. One key form of research available to the firm consists of secondary research, which uses data that have already been collected. This chapter outlines secondary research issues, focusing primarily on ways to obtain basic information quickly and with limited corporate resources while also ensuring that the information is reasonably accurate.

Defining the Issue

Market research is the systematic and objective identification, collection, analysis, and dissemination of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing. This statement highlights the need for systematic work, indicating that research should be the result of planned and organized activity. It stresses the need for objectivity and information, reducing the roles of bias, emotions, and subjective judgment. Finally, it addresses the need for the information to relate to specific problems. Put simply, market research must have a business purpose.

Recognizing the Need for Research

To serve a market efficiently and well, firms must learn what customers want, why they want it, and how they go about fulfilling their needs. To enter a market without conducting market research can place firms and their entire operation at risk. Even though most firms

recognize the need for domestic market research, this need is not fully understood for international marketing activities. Often, decisions concerning entry and expansion in overseas markets and the selecting and appointing of distributors are made after a very limited subjective assessment of the situation. The research done is less rigorous, less formal, and less quantitative than for domestic marketing activities even though the problems encountered abroad may be greater and more complex. Many executives believe foreign market research sources of data, statistics, market intelligence, and industry-specific international market research reports are expensive and difficult to find, which is simply not the case.

A major reason that firms are reluctant to engage in international marketing activities is the lack of sensitivity to differences in consumer tastes and preferences. Managers tend to assume that their methods are both best and acceptable to all others. This is fortunately not true. What a boring place the world would be if it were!

A second reason is a limited appreciation for the different marketing environments abroad. Often, firms are not prepared to accept that distribution systems, product applications and uses, the availability of media, and/or advertising regulations may be entirely different from those in the home market. Barely aware of the differences, many firms are unwilling to spend money to find out about them.

A third reason is the lack of familiarity with data sources and the inability to use them if obtained. As a result, the cost of conducting international market research is seen as prohibitively high, and therefore not a worthwhile investment relative to the benefits to be gained. The Internet and STAT-USA[®], however, make international market research much easier and much less expensive.

International market research is important as it permits management to identify and develop strategies for internationalization. This includes the identification, evaluation, and comparison of potential foreign market opportunities and subsequent market selection. Research is also necessary for the development of a marketing plan. The requirements for successful market entry and market penetration need to be determined. Subsequently, the research should define the appropriate combination of goods and services for each international market and should maintain continuous feedback in order to fine-tune the various corporate activities. Finally, research can provide management with foreign market intelligence to help it anticipate events, take appropriate action, and prepare for global changes.

Going International: Exporting

The most frequent objective of international market research is that of *foreign market opportunity analysis*. When a firm starts its international activities, information is needed to provide basic insights. The aim is not to conduct a painstaking and detailed analysis of the world on a market-by-market basis but instead to utilize a broad-brush approach. Accomplished quickly at low cost, this can narrow down the possibilities for international marketing activities.

Such an approach should begin with a cursory analysis of general market variables such as total and per capita gross domestic product, mortality rates, and population figures. Although these factors in and of themselves will not provide detailed market information, they will enable the researcher to determine whether the corporation's objectives might be met in those markets. For example, highly priced labor-saving consumer products may not be successful in a country with low average incomes and a large population. Such a cursory evaluation helps reduce the number of potential markets to a more manageable number – perhaps from 200 to 25.

Next, the researcher requires information on each individual market for a preliminary evaluation. This information typically locates the fastest-growing markets, the largest markets for a particular product, market trends, and market restrictions. Although precise and detailed information for each product probably cannot be obtained, it is available for general product categories such as automobiles or furniture.

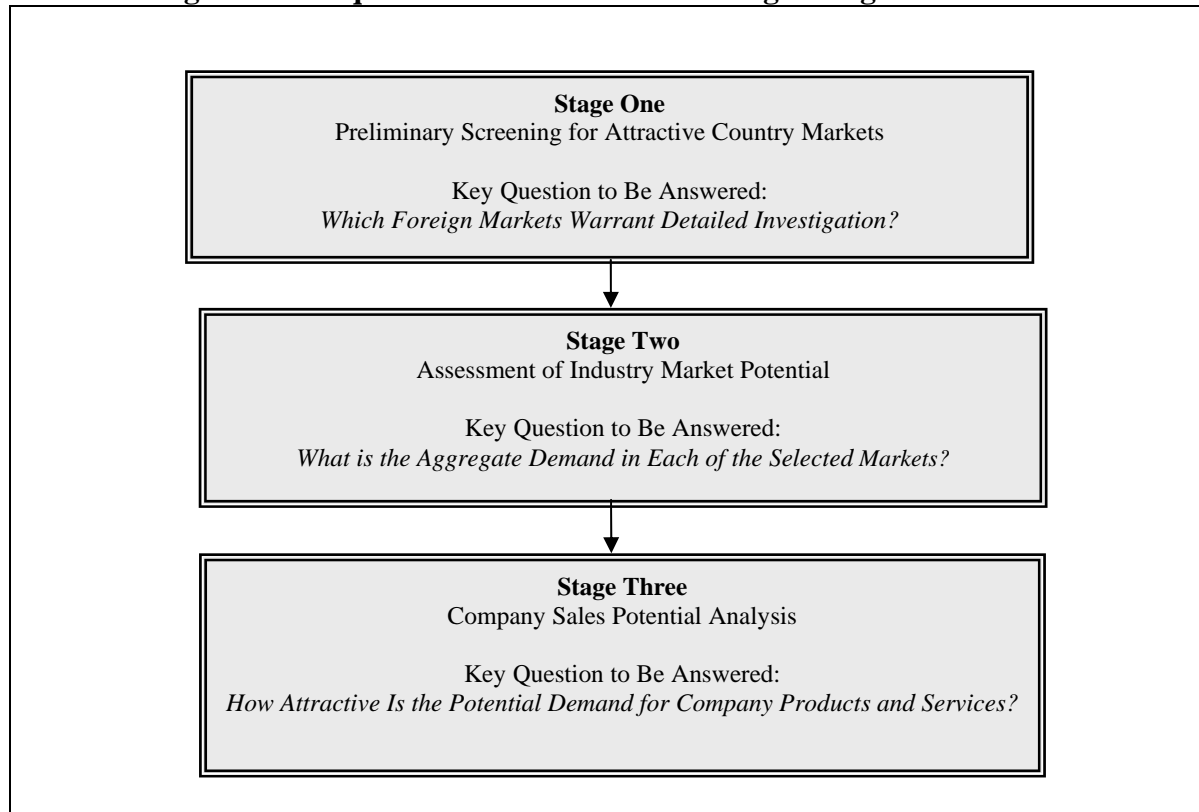
Governmental restrictions of markets must be considered as well. As an example, one can determine that North Korea represents a fast-growing market for computer hardware and software. An inspection of export licensing regulations, however, will reveal that most countries prohibit high-level computer trade with North Korea. Again, this overview will be cursory but will serve to evaluate markets quickly and reduce the number of markets into which one invests more research resources.

At this stage, the researcher's emphasis should shift to focus on market opportunities for a specific product or brand, including existing, latent, and incipient markets. Even though the aggregate industry data have already been obtained, general information is insufficient to make company-specific decisions. For example, the market demand for computer equipment should not be confused with the potential demand for a specific brand. Therefore, it is critically important to conduct research on prospective buyers' brand preferences as well as preferences regarding packaging, color, container size, delivery schedules, payment terms, and a host of other buyer criteria.

In addition, the research should identify supply and demand patterns and highlight any applicable regulations and standards. Finally, a competitive assessment needs to be made that matches markets with corporate strengths and provides an analysis of the best market potential

for specific products. *Figure 2.1* offers a summary of the various stages in the determination of market potential.

Figure 2.1: Sequential Process of Researching Foreign Market Potentials



Source: S. Tamer Cavusgil, “Guidelines for Export Market Research,” *Business Horizons*, no. 28, pg 29 (1985). Reprinted by permission.

Often, firms are able to take knowledge gained in their home market and apply it to similar conditions abroad. Universal design is one such situation. In 2003, the U.S. Census Bureau estimated that nearly one in every five Americans lives with a disability.¹⁷ Worldwide, the United Nations puts this number at a conservative ten percent.¹⁸ Not only are more people living with a wide array of disabilities and chronic health problems than ever before, but they are also living longer than any other population in history. Such a demographic and social reality has led to the increasingly popular concept of universal design: “design of products, environments, and communication to be usable by all people, to the greatest extent possible,

without adaptation or specialized design.”¹⁹ The following vignette, *International Marketplace 2.1*, shows how such a concept is gaining in popularity, both here and abroad.

International Marketplace 2.1: Benefits of Universal Design

When it comes to home design, style and accessibility seem to be at odds. Stylish rugs and trendy furniture often encumber wheelchair-users, while bare floors and sparse furnishings make a home feel institutional. But as the concept of universal design grows in popularity, more and more people with disabilities are finding that accessibility does not necessarily have to sacrifice comfort or style. Technological know-how and innovative design are changing the way we think about the accessible home.²⁰

Universal design aims to make the home both attractive and usable by all people, regardless of age or physical capability. As the average lifespan increases and more people are living with some form of disability. Designers, builders, and home-owners alike are utilizing elements of the “Universal Design Home”: no-step entrances, extra-wide doorways, lever door handles, grab bars, height-adjustable closet rods and counters, no-lip and handheld showers, skid-proof tile, and cabinets with pullout shelves, to name a few.²¹ Whether you’re old or young, tall or short, a person who is blind or deaf, a wheelchair or prosthetics user, a person with a disability or not, the Universal Design Home fits you and your needs. But functionality does not have to compromise personality in design. Low-pile area rugs can muffle noise and warm up spaces that may otherwise feel cavernous. Full-length drapes can soften rooms, while fabric-covered walls can absorb the sound from motorized doors, windows and window treatments. And while accessible design is often touted as especially expensive, if these features are incorporated into the initial construction of the home, they actually add very little to the cost. Moreover, as demand for the Universal Design Home expands, mass production will keep costs down.

Internationally, universal design is catching on fast as a growing market for the concept develops – and not just in-home design. International travel can be hectic and tiresome at best, but for the disabled traveler, these difficulties are often grossly exacerbated. At Charles de Gaulle airport in France, one of the largest international airports in the world, Aeroports de Paris-France contracted to create a Universally Accessible Wayfinding and Information System. The visual, tactile, and audio information are designed to be universally accessible, understood and are communicated in French, English, and Spanish. At Terminal 2C, the challenge was to direct people with mobility disabilities (PMD) from the arrival point on the sidewalk to the PMD reception area. An information table with a tactile map on a piece of laminated glass introduces the floor plan of the Terminal and orients the travelers toward the PMD reception area. At the edge of the table is a handrail segment in stainless steel with Braille and audio information to further inform travelers. A series of handrail segments guide the traveler through difficult areas like the revolving door entrance, while raised dots along the floor highlight the path already shown on the tactile map.²²

Amusement parks are all fun and games – unless you’re a visitor with a disability. Even today, many are still a long way from being easily accessible. But in Copenhagen, Denmark, the Tivoli Gardens amusement park has begun the first stage of a ten-year plan to make the park

and its historical landscape and old buildings accessible to everyone. By creating an elevator tower in conjunction with a footbridge at the entrance to the park, designers not only enhanced the awkward park entrance, but also enabled easy access to Tivoli Gardens' most popular ride – the wooden rollercoaster. The stylish elevator has stops at the footbridge, roller coaster, and main park level. The footbridge connects to the stairs and provides a beautiful panorama of the park. Both the elevator and footbridge are adorned with a gold ribbon motif, and joints and fittings are presented as sculptural features.

As universal design continues to take off here and abroad, exporters will find it increasingly advantageous to incorporate its principles in their goods and services. Markets for universal design products are untapped and growing. The concept is becoming truly universal – making life more accessible for everyone, at home and around the globe.

The E-Dimension in Exports

E-commerce, the ability to offer goods and services over the Web (*both Business-to-Customer, or B2C, and Business-to-Business, or B2B*), is expected to reach a compound growth rate of 100 percent in the next few years around the world. Marketing through the Internet can help exporters obtain on-going information about their target market, thus enhancing competitiveness, allowing them to explore more markets and increase their global reach. E-exporting can also provide a bridge for time differences in international markets by being available 24 hours a day.

In a B2B setting, use of the Internet can be extremely helpful to small- and medium-sized (meaning firms with fewer than 250 employees) importers such as manufacturers, retailers, and wholesalers. In addition, large national chains can be more effectively reached with online marketing. Direct export channels can help the exporter build relationships with their market, as well as sell, promote, and distribute their product offering more efficiently.

Personal selling can be used more efficiently to perform the sales contact, supported by other traditional marketing tools, such as post-sales services, technical support, and follow-up in order to build a strong relationship with the customer.

Internet marketing is now feasible for the B2C markets as computer use continues to grow among individuals. The strategy to reach consumer markets traditionally has been conducted through indirect marketing, relying on contact with the foreign distributor for the implementation of the export marketing activities and to reach the largest number of consumers. This direct marketing strategy may include, for example, such tools as e-mail, e-retailing, and telemarketing. This allows the exporter, through computer-based contacts, to present, promote, and sell products in foreign markets as well as improve availability by tailoring product assortment to the particular foreign market and facilitate transactional services in the target market.

The challenges faced in terms of response and delivery capabilities can be overcome by outsourcing or by building international distribution networks. Air express carriers such as DHL, FedEx, and UPS offer full-service packages that leverage their own Internet infrastructure with customs clearance and e-mail shipment notification. If a company needs help in order fulfillment and customer support (including the handling of returns), logistics centers offer warehousing and inventory management services as well as same-day delivery from in-country stocks. DHL, for example, has seven express logistics centers and 45 strategic parts centers worldwide, with key centers in Bahrain for the Middle East, Amsterdam for Europe, and Singapore for Asia-Pacific. Some companies elect to build their own international distribution networks. Both QVC, a televised shopping service, and amazon.com, an online retailer of books and consumer goods, have distribution centers in Britain and Germany to take advantage of the European Internet audience and to fulfill more quickly and cheaply the orders generated by their Websites.

Although English has long been perceived as the *lingua franca* of the Web, the share of non-English speakers worldwide has increased to approximately 70 percent of all users in 2004.²³ It has also been shown that Web users are three times more likely to buy when the offer is made in their own language. This tells us that, in spite of globalization, local specialization and capability matter a lot. Not even the largest of firms, however, can serve all markets with a full line of their products. Getting a Website translated and running is an expensive proposition and, if done correctly, time-consuming as well. If the site is well developed, it will naturally lead to expectations that order fulfillment will be of equal caliber. Therefore, any World Wide Web strategy has to be tied closely with the company's overall growth strategy in world markets.

A number of hurdles and uncertainties are keeping some companies out of global markets or preventing them from exploiting these markets to their full potential. Some argue that the World Wide Web does not live up to its name, since it is mostly a tool for the United States and Europe. Yet, as Internet penetration levels increase in the near future, improvements in many countries' Web infrastructures and customer acceptance of e-business will become truly global.

The exporter has to be sensitive to the governmental role in e-commerce. No real consensus exists on the taxation of e-commerce, especially in the case of cross-border transactions. While the United States and the European Union have agreed not to impose new taxes on sales through the Internet, there is no uniformity in the international taxation of transactions. Governments believe that they have something to gain by levying new e-taxes. Until more firm legal precedents are established, international exporters should be aware of their potential tax liabilities and prepare for them, especially if they are considering substantial e-commerce investments. One likely scenario is an e-commerce tax system that closely resembles

sales taxes at physical retail outlets. Vendors may be made responsible for collecting sales taxes and forwarding them to the governments concerned, most likely digitally.

Government will also come to terms with issues related to pricing and Internet usage. The private sector argues for the highest possible ability to safeguard its databases, to protect cross-border transmission of confidential information, and to conduct secure financial transactions using global networks. This requires an unrestricted market for encryption products that operate globally. However, some governments, including the United States, fear that encryption will enable criminals and terrorist organizations to avoid detection and tracking. Therefore, a strong argument is made in favor of limiting the extent of encryption.

Going International: Importing

When importing, firms shift their focus from supplying to obtaining products. Management must identify markets that produce desired supplies or materials or which have the potential to do so. Foreign firms must be evaluated in terms of their capabilities and competitive standing. The importer needs to know, for example, about the reliability of a foreign supplier, the consistency of its product or service quality, and the length of delivery time. Insights obtained through one's embassy can be very helpful as is information from business rating services and recommendations from current customers.

Before any deal is inked, it is essential that a buyer check the reputation and financial history of their prospective partner. Also consider trade associations and credit reporting agencies such as America's Business Information Association, Dun and Bradstreet Information Services, JI International, Graydon International, Owsen OnlineInc., Piguet International Inc., LID Credit Agency, Inc., Standard and Poor's Rating Service, and Veritas.

Probably the best source to check a potential customer's credit and business history are the international departments of large U.S. banks. These people make it their business to know overseas creditors. They routinely respond to letters of credit, know "who's who" in overseas financial circles and have their own overseas branches. Also, keep in mind that the Export-Import Bank of the United States uses its repayment records to provide credit information for U.S. exporting firms and provides information useful in the financing of export sales to a specific country or company abroad.

The Commerce Department's U.S. & Foreign Commercial Service (USFCS) Office also offers International Company Profiles, which are a method for checking the reputation, reliability, and financial status of a prospective trading partner. In about two weeks, the USFCS trade specialists can provide a detailed credit report on prospective overseas sales representatives or partners in over 80 countries. A typical International Company Profile includes type of organization, year established, size, general reputation, territory covered, sales, product lines, principal owners, financial information, trade references, and recommendation from on-site commercial officers as to suitability of the trading partner. The USFCS also offers the Enhanced International Company Profile, which provides the added service of having the business personally visited by a trade specialist or a commercial officer of the USFCS.²⁴

In addition, government rules must be scrutinized as to whether exportation from abroad is possible. For example, India may set limits on the cobra handbags it allows to be exported, and laws protecting the cultural heritage may prevent the exportation of pre-Columbian artifacts from Latin American countries. The international manager must also analyze home market restrictions and legislation that may prohibit the importation of certain goods into the home country. Even though a market may exist in the United States for foreign umbrella handles, for

example, quotas may restrict their importation in order to protect domestic industries. Similarly, even though domestic demand may exist for ivory, its importation may be illegal because of worldwide legislation enacted to protect wildlife. Also, U.S. entities need to make sure they are not trading with a U.S. prohibited individual or business by checking out the Bureau of Industry and Security's Denied Persons and Entities List.

Market Expansion

Research objectives may include obtaining detailed information for penetrating a market, designing and fine-tuning the product or service offering, or for monitoring the political climate of a country so that the firm can expand its operation successfully. The better defined the research objective is, the better the researcher will be able to determine the information requirements and thus conserve time and financial resources of the firm.

Determining Secondary Information Requirements

Using the research objective as a guide, the researcher will be able to pinpoint the type of information needed. For example, if only general initial market information is required, perhaps macro data such as world population statistics will be sufficient. If research is to identify market restraints, then perhaps information is required about international accords and negotiations in the World Trade Organization. Alternatively, broad product category, production, and trade figures may be desired in order to pinpoint general market activities. Very specific detailed product data may be necessary to conduct a relevant analysis. Typically, management is likely to need both micro and macro data. *Table 2.1* provides a listing of the type of information that, according to U.S. executives, is most crucial in international marketing.

Table 2.1: Critical International Information for U.S. Firms

Government Data	Corporate data
<ul style="list-style-type: none"> • Tariff information • U.S. export/import data • Nontariff measures • Foreign export/import data • Data on government trade policy 	<ul style="list-style-type: none"> • Local laws and regulations • Size of market • Local standards and specifications • Distribution system • Competitive activity

Source: Michael Czinkota, “International Information Needs for U.S. Competitiveness.” *Business Horizons* 34: 6, pgs 86-91. (1991). Reprinted by permission.

Sources of Data

STAT-USA (<http://home.stat-usa.gov>) is the Federal government’s most comprehensive source for business, trade, and economic information. *Chapter Five* provides an overview of the available information and features of two Web services maintained by STAT-USA – STAT-USA/Internet™ and USA Trade® *Online*.

STAT-USA/Internet is a single point of access to business, economic, and trade-related information from across the Federal government. It consists of two main sections: (1) **State of the Nation**®, which tracks the direction of the U.S. economy and provides a repository for statistical releases of economic indicators from a number of federal agencies; and (2) the **National Trade Data Bank**®, which includes everything from trade leads and exchange rates to extensive market and country research and contact databases. A convenient complement to STAT-USA/Internet, **USA Trade Online** is the official source for U.S. merchandise trade data, offering current and cumulative export and import data on more than 18,000 export commodities and 24,000 import commodities worldwide. Provided in partnership with the Foreign Trade Division of the Census Bureau and Beyond 20/20, annual historic data on USA Trade *Online* are available from 1992 to the present (monthly historical data are available from January 2002 to

the present). USA Trade *Online* allows users to find existing and emerging export markets for products, compare specific product exports with related products, determine market share of export markets, and monitor trends in specific products, markets, and countries.

Evaluating Data

Before obtaining the data, the researcher needs to evaluate their appropriateness for the task at hand. As the first step of such an evaluation, the quality of the data source needs to be considered with a primary focus on the purpose and method of the original data collection. Next, the quality of the actual data needs to be assessed, which should include a determination of data accuracy, reliability, and timeliness. Obviously, outdated data may mislead rather than improve the decision-making process. In addition, the compatibility and comparability of the data need to be considered. Since they were collected with another purpose in mind, one needs to determine whether the data can help with the issue of concern to the firm. In international research, it is also important to ensure that data categories are comparable to each other in order to avoid misleading conclusions. For example, the term *middle class* is likely to have very different implications for income and consumption patterns in different parts of the world.

Analyzing and Interpreting Secondary Data

After the data have been obtained, the researcher must use his or her research creativity to make good use of them. This often requires the combination and cross-tabulation of various sets of data or the use of proxy information in order to arrive at conclusions that address the research objectives. For example, the market penetration of television sets may be used as a proxy variable for the potential market demand for video recorders. Similarly, in an industrial setting, information about plans for new port facilities may be useful to determine future containerization requirements. Also, the level of computerization of a society may indicate the future need for

software. The low market penetration of cell phones in a particular market might be used as a proxy variable for the potential technology leapfrogging or market demand for iPods, personal digital assistants (PDAs), BlackBerrys, and other such electronic gadgets that are proving popular in “wireless” societies. Apple Computer’s iPods, a variety of portable digital players that store, organize, and play digital music and video files, offer a good example. As of October 2004, iPods dominated sales of digital music players in the United States, with a market share of over 65 percent, selling at a faster rate than that of the Sony Walkman of the 1980s and 1990s. PDAs, handheld devices originally designed as personal organizers, have become much more versatile since they first appeared in 1992. Today, a basic PDA often includes a clock, date book, address book, task list, memo pad, and calculator. BlackBerrys, a popular type of PDA, are handheld wireless devices that provide e-mail, telephone, text messaging, and Web browsing services.²⁵ Increasingly, combining once disparate and incompatible technologies will continue to “kill product categories” and combine markets for thousands of products involving computers, communications, entertainment, information gathering, etc., thus forcing partnerships, alliances, joint research, and collaboration on an unprecedented scale.

The researcher must go beyond the scope of the data and use creative inferences to arrive at knowledge useful to the firm, but also recognize that such creativity brings risks. Once the interpretation and analysis have taken place, a consistency check must be conducted. The researcher should always cross-check the results with other possible sources of information or with experts. The key question to be answered is “Do the results make sense?” If they don’t, some additional research may be needed. For example, if research shows that few spaghetti are purchased in Italy, the findings tell less about spaghetti consumption than about the difference between store-bought and homemade noodles.

In addition, the researcher should take another look at the research methods employed and, based on their usefulness, determine any necessary modifications for future projects. This enables the corporation to learn from experience, making the continuous improvement of international market research activities possible. *International Marketplace 2.2* shows how such research creativity can be achieved.

International Marketplace 2.2: Primary Market Research

Who are my customers and potential customers? Am I offering the goods or services they need and want at the best place, best time, and best price? For example, do my aging customers need advertisements and manuals in larger print? These are just a few questions every business manager must ask, and their answers can be found only through market research, the systematic gathering, recording, and analyzing of data relating to the marketing process of goods and services.

Market research is not a perfect science. It deals with people and their constantly changing feelings and behaviors, which are influenced by countless subjective factors. Nonetheless, it is possible to conduct market research, the gathering facts and opinions, in an orderly and objective way. Market research in support of exporting accessibly-designed information and communications technology (ICT) and assistive technology (AT) is especially important: In the United States alone, 57 million consumers currently use some form of AT, and by 2010, the number of users of AT is expected to rise to 70 million.²⁶ For growth in the **accessibly-designed ICT** and AT markets to be realized, however, considerable efforts need to be made to better understand the needs of the market.

One such method to better understand the market is through primary market research. Primary research can be as simple as asking customers or suppliers how they feel about a business or as complex as direct mail questionnaires, telephone surveys, experiments, panel studies, test marketing, and behavior observations.²⁷

While most business owners have the chance to conduct primary research every day, most do not take advantage of this elusive opportunity. Analyzing returned items, asking former customers why they have switched, and looking at competitors' prices are all examples of such research. A best practice of primary research is to involve the consumers themselves in the development process. An example of this practice was expressed in an open letter to then President Clinton, in which some of the world's foremost technology executives pledged to involve people with disabilities in the development of accessibility guidelines and in the design of products and services.²⁸

While the cost of implementing primary market research may be an obstacle for many small businesses, there is help. Those who cannot afford high-priced market research services could ask nearby college or university business schools for assistance. Federal government agencies also provide public support for research and development initiatives through grant-based

programs. For example, the U.S. Small Business Innovation Research Act requires large federal departments to establish Small Business Innovation Research (SBIR) programs, which provide grants to small businesses to conduct research and development to address mission-related agency needs. Some SBIR programs, including those through the National Science Foundation and the U.S. Department of Education, place added emphasis on small businesses that serve the needs of the disability community.

In conclusion, sound market research provides businesses with the competitive advantage of understanding consumers' needs and wants in the context of the market environment. This is significant in the AT industry, where AT products and services are often precursors to mass-market products. Therefore, market knowledge provided by primary and secondary research is critical to expanding the use and profitability of both AT and accessibly designed ICT in the disability community and mainstream markets.

Data Privacy

The attitude of society toward obtaining and using must be taken into account. Many societies are increasingly sensitive to the issue of data privacy, and the concern has grown exponentially as a result of e-business. Readily available databases may contain information valuable to marketers, but they may also be considered privileged by individuals who have provided the data.

In 2002, extending earlier legislation, the European Union passed a directive on privacy and electronic communications to maintain high standards of data privacy and ensure the free flow of data throughout the 25 member states. The directive requires member states to block transmission of data to non-EU countries if these countries do not have domestic legislation that provides for a level of protection judged adequate by the European Union. The European Union has a strict interpretation of its citizens' rights to privacy. There is an opt-in approach for unsolicited e-mails: online marketing firms and other Internet operators can send commercial e-mails only after the customer has specifically asked them to do so. The placement of invisible data-tracking devices such as "cookies" on a computer is prohibited until after a user has been provided with adequate information about their purpose.

The directive also reflects a compromise in light of the September 11 attacks and the growing frequency of cybercrime. Due to requests by key e-commerce partners, such as the United States, revisions were made to EU policy to accommodate criminal investigation. Under the new directive, companies in the European Union will still have to erase information immediately after the one-to-two month period needed for billing purposes. Governments, however, can now require operators to store data for longer periods of time, if deemed necessary for security reasons.²⁹

Presenting Research Results

In multinational market research, communication must take place not only with management at headquarters but also with managers in the local operations. Otherwise, little or no transference of research results will occur, and the benefits of a multinational operation are lost. To minimize time devoted to the reading of reports, the researcher must present results clearly and concisely. In the worldwide operations of a firm, particularly in the communication efforts, lengthy data and analytical demonstrations should be avoided. The goal for the international market researcher should be to ensure that the potential for misunderstandings and misinterpretations of spoken or written words is minimized. Both language and cultural differences make this issue an extremely sensitive one in the international market research process. As a result, attention must be paid to the translation equivalence of verbal and nonverbal questions that can change in the course of translation. This volume's authors, for example, used the term "group discussion" in a questionnaire for Russian executives, only to learn that the translated meaning of the term was "political indoctrination session." Care must also be taken to understand the implications of words in different cultures. The availability of

data and the techniques used should be mentioned, however, so that subsidiary operations can receive the information on request.

The researcher should also demonstrate in the presentation how research results relate to the original research objective and fit with overall corporate strategy. At least schematically, possibilities for analogous application in other countries or situations should be highlighted. These possibilities should then also be communicated to local subsidiaries, perhaps through a short monthly newsletter. A newsletter format can be used regardless of whether the research process is centralized, coordinated, or decentralized. The only difference will be the person or group providing the input for the newsletter. It is important to maintain such communication in order for the entire organization to learn and to improve its international market research capabilities.

Follow-up and Review

Although the research process may be considered to be at an end here, from a managerial perspective, one more stage is important. Now that the research has been carried out, appropriate managerial decisions must be made based on the research, and the organization must absorb the research. For example, if it has been found that a product needs to have certain attributes to sell well in Latin America, the manager must determine whether the product development area is aware of this finding and the degree to which the knowledge is now incorporated into new product projects. Without such follow-up, the role of research tends to become a mere “staff” function, increasingly isolated from corporate “line” activity and lacking major impact on corporate activity. If that is the case, research will diminish and even be disregarded – resulting in an organization at risk.

Chapter Three: The Export Process

Participation in the international marketplace has become increasingly easy, as we have seen so far. Doing so can be very rewarding and may turn out to be the key to prosperity both for corporations and employees. Research shows that firms grow faster, are more productive, and have employees who tend to earn more when they export. But most firms cannot simply jump into international marketing and expect to be successful. New activities in an unfamiliar environment also increase a firm's risk. Therefore, companies must prepare their activities and adjust to the needs and opportunities of international markets in order to become long-term participants. Because of the speed of globalization, however, firms have less and less time to adjust to new market realities. In addition, many firms are exposed to international competition. They must participate in global business, whether they want to or not.

Most firms start their international involvement as small- and medium-sized firms (defined as firms with fewer than 250 employees). This chapter explains the export process by addressing the activities that take place within the firm preparing to enter the international marketplace. It will focus on the basic reasons for exporting and will discuss the change agents, both internal and external, that activate these stimuli. *International Marketplace 3.1* provides the story of EyeGaze and its entry into the international market. The concerns and preoccupations of firms as they begin their international marketing operations are also discussed here. Finally, a model of the export development process and strategic issues within the firm will be presented.

International Marketplace 3.1: Internationalization of EyeGaze

From a basement of a Northern Virginia home in the early 1990s, Dixon and Nancy Cleveland, a husband-wife team with career experience in engineering and nursing, developed EyeGaze, an eye-operated computer system.³⁰ As a hands-off and unobtrusive human-computer interface that tracks a user's gaze point, the EyeGaze system allows users to operate computers with only their eyes.³¹ Given the advanced technology provided by EyeGaze, Dixon and Nancy knew that their product could be an incredibly beneficial assistive device for people with disabilities. They achieved successful domestic sales and paid little attention to the international market.

But during this same time in Paris, France, the 30-year-old grandson of an owner of a multinational corporation suffered from an unexpected, devastating stroke. The grandson survived the stroke, but his hemorrhages were so severe that they left him with permanent quadriplegia. After consulting numerous world-renown doctors about possible assistive devices, the grandfather received information about the EyeGaze system. He immediately flew to Virginia and met with the Clevelands in their basement office. Impressed with the technology, the grandfather purchased an EyeGaze system, thus completing the very first international sale of EyeGaze.

Thrilled, but also overwhelmed with the prospect of having additional international sales, the Clevelands sought the help of the Virginia Economic Development Program (VEDP). With trade specialists of the VEDP, the Clevelands formalized and broadened their exporting position. The trade specialists provided services including screening potential distributors and representing EyeGaze in trade missions throughout Europe and Asia. With the VEDP's help, EyeGaze now has reliable distributors in France, Germany, the Netherlands, Spain, Belgium, Great Britain, Norway, Sweden, New Zealand, and Southeast Asia. As Nancy Cleveland stated, "VEDP helped us enter markets that we would never have considered. And more importantly, VEDP has helped us help more people by making the EyeGaze system available internationally."

The National Export Directory in STAT-USA[®]/InternetTM's National Trade Data Bank (NTDB[®]) provides contact information for local export support offices (such as the VEDP) across the United States, Puerto Rico, and the Virgin Islands (Home > NTDB > Contacts > National Export Directory).

Managers must understand what "sells" to owners and decision-makers in the firm so that they can aid in the move toward internationalization. Current and prospective employees must be able to assess the strategic direction of the firm. An awareness of the inherent attributes that make firms international can aid students in selecting the best environment in which to become active in international marketing.

Motivations to Internationalize

Many researchers have worked on determining the reasons why firms go international. A key factor is the type and quality of management. Managers of exporting firms also typically show a higher level of foreign language fluency than do managers of non-exporting firms. Additionally, having relatives in other countries appears to help.

The international marketing success of firms is related to managerial aspirations, capabilities, and the level of commitment that management is willing to give to the international marketing effort. Simply put, companies that grow internationally are willing to devote organizational resources to the management of business abroad. Because international markets cannot be penetrated overnight – but rather require a vast amount of market-development activity, market research, and sensitivity to foreign market factors – the issue of managerial commitment is a crucial one. This commitment must be able to endure stagnation and sometimes even setbacks and failure. To obtain such a commitment, it is important to impress on all players within the firm that the effort will only succeed with a commitment that is company-wide.

It is also important that someone has the specific responsibility for exporting. Just one person assigned part time to international marketing activities can begin exploring and entering international markets, but it is crucial to focus the export responsibility on a person.

In most business activities, one factor alone rarely accounts for any given action or outcome. Usually a mixture of factors results in firms taking steps in a given direction. This is true of internationalization; motivation consists of a variety of factors both pushing and pulling firms along the international path. The major motivations to internationalize are differentiated into proactive and reactive motivations. Proactive motivations represent stimuli to attempt strategic change. Reactive motivations influence firms that are responsive to environmental changes and adjust to them by changing their activities over time. In other words, proactive firms go international because they want to, while reactive ones go international because they have to.

Proactive Motivations

The most stimulating proactive motivation to become involved in international marketing is the profit advantage. Management may perceive international sales as a potential source of higher profit margins or of more added-on profits. Of course, the perceived profitability, when planning to enter into international markets, is often quite different from profitability actually attained. The initial profitability of international start-up operations may be quite low, mainly due to relatively high start-up costs such as market research, marketing, travel, retrofitting products to meet foreign buyer and consumer needs, increased product adaptation, and higher shipping costs. The gap between perception and reality may be particularly large when the firm has not previously engaged in international market activities. Despite thorough planning, influences over which individuals have no control often disrupt profit projections and expectations. For example, a sudden shift in exchange rates may drastically alter profit forecasts even though they were based on careful market evaluation.

A second major stimulus results either from unique products or from a technological advantage. A firm may produce goods or services that are not widely available from international competitors or may have made technological advances in a specialized field. Again, real and perceived advantages should be differentiated. Many firms believe that theirs are unique products or services, even though this may not be the case in the international market. If products or technology are unique, however, they can certainly provide a competitive edge and result in major business success abroad. One issue to consider is how long such a technological or product advantage will continue. Historically, a firm with a competitive edge could count on being the sole supplier to international markets for years to come. This type of advantage, however, has shrunk dramatically because of competing technologies, a frequent lack of

intellectual property rights protection, and much quicker dissemination of information in the Internet age. Today, expanding opportunities for buyers and suppliers to find each other on the Internet, global strategic alliances, hyper competition and resulting lower profit margins, and improved speed of delivery have encroached on the sanctity of local, long-held, and heretofore impenetrable alliances and buyer-supplier relationships.

Exclusive market information is another proactive stimulus. This includes knowledge about foreign customers, marketplaces, or market situations, not widely shared by other firms. Such special knowledge may result from particular insights based on a firm's international research, special contacts a firm may have, or simply being in the right place at the right time (for example, recognizing a good business situation during a vacation trip). Although exclusivity can serve well as an initial stimulus for international marketing activities, it will rarely provide prolonged motivation because competitors – at least in the medium run – can be expected to catch up with the information advantage of the firm, particularly in light of the growing ease of global information access.

Managerial urge is a motivation that reflects the desire, drive, and enthusiasm of management toward international marketing activities. This enthusiasm can exist simply because managers like to be part of a firm that operates internationally. Further, it can often provide a good reason for international travel – for example, to call on a major customer in the Bahamas during a cold winter month. Often, however, the managerial urge to internationalize is simply the reflection of general entrepreneurial motivation, that is, a desire for continuous growth and market expansion.

Tax benefits can also play a major motivating role. Many countries offer tax concessions to their firms in order to encourage export activities. Such tax benefits allow the firm to either offer its products at a lower cost in foreign markets or to accumulate a higher profit.

A final major proactive motivation is economies of scale. Becoming a participant in international marketing activities may enable the firm to increase its output and therefore slide down the learning curve more rapidly. Ever since the Boston Consulting Group showed that a doubling of output could reduce production costs up to 30 percent, this effect has been very much sought after. Increased production for the international market can also help in reducing the cost of production for domestic sales, making the firm more competitive domestically as well. This effect often results in the seeking of market share as a primary objective of firms. At an initial level of internationalization this may mean an increased search for export markets; later on, it can result in the opening of foreign subsidiaries and foreign production facilities.

Reactive Motivations

A second type of motivation, primarily characterized as reactive, influences firms to respond to changes and pressures in the business environment rather than attempt to blaze trails.

One reactive motivation is the response to competitive pressures. A firm may fear losing domestic market share to competing firms that have benefited from the effect of the economies of scale gained by international marketing activities. Further, it may fear losing foreign markets permanently to domestic competitors that decide to focus on these markets. Observing that domestic competitors are beginning to internationalize, and knowing that market share is most easily retained by the firm that obtains it initially, firms frequently enter the international market head over heels. Quick entry may result in similarly quick withdrawal once the firm recognizes that its preparation has been insufficient.

Similarly, overproduction can serve as a major reactive motivation. Historically, during downturns in the domestic business cycle, markets abroad were initially unaffected because of time lags. They provided an ideal outlet for inventories that were significantly above desired levels. Frequently, however, international market expansion motivated by overproduction did not represent full commitment by management, but rather, *safety-valve activity*. Rather than develop an international marketing perspective by adjusting the marketing mix to needs abroad, firms using this strategy typically are short-term oriented. Often, export sales are stimulated via short-term price cuts. As soon as the domestic market demand returns to previous levels, international marketing activities are curtailed or even terminated. Firms that have used such a strategy once may encounter difficulties when trying to employ it again because many foreign customers are not interested in temporary or sporadic business relationships. This reaction from abroad, the lessons learned in past recessions about the danger of large inventories, and the fact that the major industrial economies appear to be increasingly synchronized may well lead to a decrease in the importance of this motivation over time.

Stable or declining domestic sales, whether measured in sales volume or market share, have a similar motivating effect. Products marketed by the firm domestically may be at the declining stage of the product life cycle. Instead of attempting a push-back of the life cycle process domestically, or in addition to such an effort, firms may opt to prolong the product life cycle by expanding the market. In the past, such efforts often met with success because customers in many countries only gradually reached a level of need and sophistication already attained by customers in industrialized nations. Increasingly, however, if lag times exist at all in foreign markets, they are quite short. Nevertheless, this motivation is still a valid one,

particularly in the context of developing nations, which often still have very good use for products for which the demand in the industrialized world is already on the decline.

Excess capacity can also be a powerful motivation. If equipment for production is not fully utilized, firms may see expansion into the international market as an ideal possibility for achieving broader distribution of fixed costs. Alternatively, if all fixed costs are assigned to domestic production, the firm can penetrate international markets with a pricing scheme that focuses mainly on variable costs. Although such a strategy may be useful in the short-term, it may result in the offering of products abroad at a cost lower than at home, which in turn may trigger dumping charges. In the long run, fixed costs have to be recovered to ensure replacement of production equipment that growing international marketing activities may overtax. Market penetration strategy based on variable cost alone is therefore not feasible over the long-term.

The reactive motivation of a saturated domestic market is similar in results to that of declining domestic sales. Again, firms in this situation can use the international market to prolong the life cycle of their product and of their organization.

A final major reactive motivation is proximity to customers and ports. Physical closeness to the international market can often play a major role in the export activities of a firm. For example, Mexican firms established near the U.S. border may not even perceive of their market activities in the United States as international marketing. Rather, they are simply an extension of domestic activities, without any particular attention to the fact that some of the products go abroad. Except for some firms close to the Canadian or Mexican border, however, this factor is less prevalent in North America than in many other countries. Unlike European firms, most U.S. firms are situated far away from foreign countries. Considering the radius of domestic activity for many U.S. firms is roughly 100 miles, it's easy to see how many European firms

automatically become international marketers simply because their neighbors are so close. A European company operating in Belgium need go only 50 miles to be in multiple foreign markets.

In this context, the concept of psychic or *psychological distance* needs to be understood. Geographic closeness to foreign markets may not necessarily translate into real or perceived closeness to the foreign customer. Sometimes cultural variables, legal factors, and other societal norms make a foreign market that is geographically close seem psychologically distant. For example, research has shown that U.S. firms perceive Canada to be much closer psychologically than Mexico. Even England, mainly because of the similarity in language, is perceived by many U.S. firms to be much closer than Mexico or other Latin American countries, despite the geographic distances. In light of the reduction of trade barriers as a result of the North American Free Trade Agreement and a growing proportion of the U.S. population with Hispanic background, however, this long-standing perception may well change rapidly.

It is important to remember two major issues in the context of psychological distance. First, some of the distance seen by firms is based on perception rather than reality. As suggested above, Canadian firms may view the U.S. market simply as an extension of their home market due to so many superficial similarities, just as many U.S. firms may see the England as psychologically very close due to the similarity in language. The attitudes and values of managers and customers may, however, vary substantially between markets. Too much of a focus on the similarities may let the firm lose sight of the differences. At the same time, closer psychological proximity does make it easier for firms to enter markets. Therefore, for firms new to international marketing it may be advantageous to begin this new activity by entering the psychologically closer markets first in order to gather experience before venturing into markets

that are farther away. Such psychological ties are not unchanging. Just consider how changes in the population composition of Texas or California will gradually make doing business with Mexico, other Latin America countries, and Asia much easier.

An overall contemplation of these motivations should also consider the following factors. First, firms that are most successful in exporting are motivated by proactive factors (that is, factors that originate from within the firm). Second, the motivations of firms do not seem to shift dramatically over the short-term but are rather stable. For the student who seeks involvement in international markets and searches for firms that provide the most adequate environment, an important strategic consideration should be whether a firm is proactive or reactive.

The proactive firm is also more likely to be service oriented than are reactive firms. Further, it is frequently more marketing and strategy oriented than reactive firms, which have as their major concern operational issues. The clearest differentiation between the two types of firms can probably be made by determining how they initially entered international markets. Proactive firms are more likely to solicit their first international marketing order, whereas reactive firms frequently begin international marketing activities after receiving an unsolicited order from abroad.

All of these considerations lead to the questions of how the activities of firms can be changed and, ideally, how the student and future employee can be part of this change.

Change Agents

For change to take place, someone or something within the firm must initiate it and shepherd it through to implementation. This intervening individual or variable is here called a change agent. Change agents in the internationalization process are shown in *Table 3.1*.

Table 3.1: Change Agents in the Internationalization Process

Firm Internal	Firm External
<ul style="list-style-type: none">• Enlightened management• New management• Significant internal event	<ul style="list-style-type: none">• Demand• Other firms• Distributors• Banks• Chambers of commerce• Export agents• Government activities

Internal Change Agents

A primary change agent internal to the firm is enlightened management. Such enlightenment can occur when the current management of a firm discovers and understands the value of international markets and decides to pursue international marketing opportunities. Trigger factors frequently are foreign travel, during which new business opportunities are discovered, or information is received that leads management to believe that such opportunities exist. Managers who have lived abroad and stay in touch with relatives abroad, have learned foreign languages, or are particularly interested in foreign cultures are likely, sooner rather than later, to investigate whether international marketing opportunities would be appropriate for their firm. Key managerial characteristics that have been shown to affect firms' export involvement are shown in *Table 3.2*.

Table 3.2: Key Managerial Characteristics Affecting Export Involvement

Education
International Exposure
Expertise
International Orientation
Commitment

A second set of major internal change agents consists of new management or new employees. Often, managers enter a firm having already had some international marketing experience in previous positions and try to use this experience to further the business activities of their new firm. Also, in developing their goals in the new job, managers frequently consider an entirely new set of options for growth and expansion, one of which may be international marketing activities.

A significant internal event can be another major change agent. A new employee who firmly believes that the firm should undertake international marketing may find ways to motivate management. The development of a new product useful abroad can serve as such an event, as can the receipt of new information about current product uses. As an example, a manufacturer of hospital beds learned that the beds it was selling domestically were being resold in a foreign country. Further, it found the beds it sold for \$600 each were being resold overseas for approximately \$1,300. This new piece of information triggered a strong interest on the part of the company's management in entering international markets.

In small- and medium- sized firms, the president typically makes the initial decision to export, with substantial input provided by the marketing department. The carrying out of the decision – that is, the initiation of actual international marketing activities and the

implementation of these activities – is then primarily the responsibility of marketing personnel. Only in the final decision stage of evaluating international marketing activities does the major emphasis rest again with the president of the firm. In order to influence a firm internally, it therefore appears that the major emphasis should be placed first on convincing the president to enter the international marketplace and then on convincing the marketing department that international marketing is an important activity. Conversely, the marketing department is a good place to be if one wants to become active in international business.

External Change Agents

Outside agents can be instrumental in getting a firm to be internationally active and successful. *International Marketplace 3.2* explains how outside agents in Ghana go about helping firms to export. The primary outside influence on a firm's decision to become international is foreign demand. Expressions of such demand through, for example, inquiries from abroad, have a powerful effect on initial interest in entering the international marketplace. Unsolicited orders from abroad are the one major factor that encourages firms to begin exporting – even though firms increasingly have come to recognize that they must take the initiative in getting started in exporting.

International Marketplace 3.2: The Ghana Export School

For developing nations, exporting is often a key element in the process of serious economic reform. One case in point is the West African nation of Ghana. In an effort to diversify and promote exports, Ghana implemented a series of policy and institutional reforms. To expand the country's exports, a number of government goals were formulated: the need for increased knowledge of export opportunities, greater familiarity with export techniques, and a heightened export consciousness among current and potential export enterprises.³²

To meet these goals, a well-organized program of foreign trade training was called for, which could best be provided by a special school created for that purpose. A national survey showed that several existing training institutions were providing some programs in trade-related topics, but very few offered practical export marketing courses on a regular basis for business executives and trade promotion officials. Therefore, the Ghana Export Promotion Council established the Ghana Export

School with the following objectives:

- Generate export consciousness in the business sector, which had traditionally been import oriented;
- Create an awareness of the importance of exports in official circles to obtain positive responses from the government;
- Provide the business community with the necessary techniques for developing and managing export business efficiency;
- Spread the results of such training throughout the export community to as many companies as possible; and
- Provide a forum for discussing, evaluating, and finding solutions to export development problems in the country.

The Ghana Export School is a particularly innovative experiment, as it has no campus, training facilities, or a faculty of its own. It draws its speakers and course developers from business and government, uses the facilities of existing training institutions, and develops its own training materials based on local experience. By cooperating closely with the business sector and established training institutions, the school is able to provide a wide range of practical seminars and workshops in the foreign trade sector. It does so with minimum investment, tailored to the needs of the export community.

The Ghana Export School offers approximately thirty training events and attracts over 1,000 participants each year. Its faculty consists of thirty-five resource persons from private industry, local universities and training institutions, and is supplemented by local and foreign consultants. They cover a broad spectrum of subjects dealing with both techniques and products, reflecting exporters' training needs as well as the country's efforts to diversify its export product mix. The school holds workshops on mushroom production for export, packaging and labeling, the role of banks in export, export marketing for women entrepreneurs, and export production management for village enterprises.

Besides serving as a means to upgrade export skills, the training programs have increased export consciousness in the country and have improved export performance: In 1984, non-traditional exports fetched less than \$2 million dollars in earnings. By 2004, however, total non-traditional exports were in excess of \$600 million.³³ Through the training, exporters have been able to improve the quality and presentation of their products, which has resulted in a significant drop in the number of export goods rejected by both the Standards Institute in Ghana and importers of foreign markets.

Both the concept and the role of the Ghana Export School have been firmly accepted by the export community, academia, and trade-supporting institutions. A significant and sustainable contribution to the development of human resources in the foreign trade sector of Ghana has been achieved.

Another major outside influence are the statements and actions of other firms in the same industry. Information that an executive in a competing firm considers international markets to be valuable and worthwhile to develop easily captures the attention of management. Such statements not only have source credibility but also are viewed with a certain amount of fear because a successful competitor may eventually infringe on the firm's business. Formal and informal meetings among managers from different firms at trade association meetings, conventions, or business roundtables therefore often serve as a major change agent.

Distributors are a third, quite influential, change agent. Often, distributors of products of one firm are engaged, through some of their other business activities, in international marketing. To increase their international distribution volume, they encourage domestic-only firms to also participate in the international market. This is true not only for exports but also for imports. For example, a major customer of a manufacturing firm may find that materials available from abroad, if used in the domestic production process, would make the product available at lower cost. In such instances, the customer may approach the supplier and strongly encourage foreign sourcing. Many firms, although they may not like the suggestion, are flexible when they face the potential loss of a major account.

Banks and other service firms, such as accountants, can serve as major change agents by alerting domestic clients to international opportunities. Although these service providers historically follow their major multinational clients abroad, increasingly they are establishing a foreign presence. They frequently work with domestic clients on expanding their market reach in the hope that their services will be used for any international transactions that result.

Chambers of commerce and other business associations that interact with firms locally can frequently heighten international marketing interests. In most instances, these organizations

function only as secondary intermediaries, because true change is brought about by the presence and encouragement of other managers.

Export agents are experienced in bringing about an international marketing orientation through two major kinds of activities. Some agents actively seek new international business activities. They visit firms and encourage them to penetrate international markets. In the past, firms often paid a basic fee to such agents and, subsequent to any sales, a commission on these sales. The incidence of such business transactions, however, is decreasing because fewer and fewer firms are willing to pay up-front fees. First, agents often have limited expertise and may be knowledgeable in only some markets or some product lines. Second, agents take on a product to generate a profit for themselves. In addition, agents charge directly or indirectly for all of the marketing functions they perform, which often may make international marketing efforts less profitable than originally expected.

Governmental efforts on the national or local level can also serve as a major change agent. In light of the contributions exports make to growth, employment, and tax revenue, governments are becoming increasingly active in encouraging and supporting exports.

In the United States, the U.S. Department of Commerce is particularly involved in encouraging exports. Its district offices are charged with increasing the international marketing activities of U.S. firms. Frequently, district officers, with the help of voluntary groups such as district export councils, visit firms and attempt to analyze their international marketing opportunities. Such activities raise questions about market and product specialization. For a firm new to exporting, the Commerce Department's programs and activities can be quite useful, particularly when searching for information services and buyer contacts.

Increasingly, other governmental entities are also actively encouraging firms to participate in the international market. This takes place primarily on the state and local level. Many states have formed economic development agencies that assist companies by providing information, displaying products abroad, and sometimes even helping with financing. Trade missions and similar activities are also being carried out by some of the larger cities. Although it is difficult to measure the effects of these efforts, it appears that due to their closeness to firms, such state and local government authorities can become a major factor in influencing firms to go international. In addition, assistance is also provided for the difficult financing issue. The *International Marketplace 3.3* presents sources for some of the available help.

International Marketplace 3.3: Help for the Small Exporter

The Export-Import Bank of the United States, known as Ex-Im Bank, is responsible for financing and promoting U.S. exports. In the recent past, however, it has been assailed for neglecting small exporters. As an answer to its critics, Ex-Im Bank is now taking steps to increase loans and other services to smaller enterprises.

One example of the government agency's improvements is the loosened collateral requirement it now has for its working capital loan guarantee program. Companies use this program to borrow money for building export-related inventory and buying raw materials. Previously, collateral was measured mainly through the value of inventory. Now companies may include costs such as engineering, design, and other overhead expenses in the collateral base, allowing for a greater amount of borrowing. Smaller companies with limited financial resources will especially benefit from this change, according to an Ex-Im Bank director. The working capital program is a strong example of the agency's commitment to smaller exporters. In the 2003 fiscal year, the program guaranteed 390 loans worth \$768 million. This compares with 155 loans worth \$180 million in fiscal year 1994. Much of the increase came from small companies' transactions, which account for 88 percent of the agency's deals and nearly 80 percent of its dollar volume.³⁴

One small business that has benefited from Ex-Im Bank's working capital program is Cornet Technology Incorporated (CTI), a company specializing in high-speed communication products to customers in countries including Mexico, Brazil, Colombia, Surinam, Egypt, and South Korea.³⁵ Like many other small businesses, CTI was concerned about its ability to maintain cash flows needed to fill orders before collecting customers' payments. Ex-Im Bank's working capital guarantee allowed the company to obtain commercial bank financing so that assets earmarked for export could also be used as collateral to obtain necessary funds. With the backing of Ex-Im Bank, CTI's president asserted that the company was "better equipped to export technologically advanced

products to help increase productivity in every region of the world.”

Even programs originally intended for large corporations are now widely used by small exporters. One example is the tied-aid program, which matches low-rate financing offered to foreign companies by their governments. Initially expected to benefit primarily large companies, about half of the tied-aid offers made by Ex-Im Bank now support small companies. For example, U.S.-China Industrial Exchange, Inc., a small Maryland exporter, received a tied-aid loan to sell more than \$8 million in medical equipment to China.³⁶ A competitor, armed with tied-aid from the Austrian government, almost won the contract. “Unless we were also able to provide some favorable term-financing, we would have lost the business,” said the company’s president.

Small companies are increasingly making use of the agency’s other programs, including credit insurance that protects American exporters and their banks against nonpayment from overseas buyers. In the last fiscal year, Ex-Im Bank authorized \$1.4 billion in such insurance to nearly 2,000 small companies. The agency will continue to look for ways to attract small business customers, less so to deflect criticism but rather to support the growing number of small U.S. companies that are exporting and supporting jobs.

Internationalization Stages

Normally, internationalization is a gradual process. Only rarely is a firm formed expressly to engage in international marketing activities, particularly in a market as large as the United States. In small markets, however, firms may very well be born global, founded for the explicit purpose of marketing abroad because of the recognized importance of international marketing and because the domestic economy may be too small to support their activities. Research conducted in Israel, for example, has shown that such innate, or start-up, exporters may have a distinct role to play in an economy’s international trade involvement. Nevertheless, in most instances, firms begin their operations in the domestic market. Over time, some of them become interested in the international market.

The development of this interest typically appears to proceed in several stages. In each one of these stages, firms are measurably different in their capabilities, problems, and needs. In looking at the internationalization process, one finds that initially the vast majority of firms are not at all interested in the international marketplace. Frequently, management will not even fill

an unsolicited export order if one is received. Should unsolicited orders or other international market stimuli continue over time, however, a firm may gradually become a *partially interested exporter*. Management will then fill unsolicited export orders.

Prime candidates among firms to make this transition from uninterested to partially interested are those companies that have a track record of domestic market expansion. In the next stage, the firm gradually begins to explore international markets, and management is willing to consider the feasibility of exporting. After this *exploratory stage*, the firm becomes an *experimental exporter*, usually to psychologically close countries. Management is still far from being committed to international marketing activities.

At the next stage, the firm evaluates the impact that exporting has had on its general activities. Here, of course, the possibility exists that a firm will be disappointed with its international market performance and will withdraw from these activities. On the other hand, frequently, it will continue to exist as an experienced small exporter. The final stage of this process is that of *export adaptation*. Here a firm is an experienced exporter to a particular country and adjusts its activities to changing exchange rates, tariffs, and other variables. Management is ready to explore the feasibility of exporting to additional countries that are psychologically farther away. Frequently, this level of adaptation is reached once export transactions comprise 15 percent of sales volume. In these instances, the firm can be considered a strategic participant in the international market.

Internationalization Concerns

As can be expected, firms that enter the international marketplace are faced with a host of new challenges. The key issues for all firms are financing, sales, and communication.

Firms at an export awareness stage – partially interested in the international market – are primarily concerned with operational matters such as information flow and the mechanics of carrying out international business transactions. They understand that a totally new body of knowledge and expertise is needed and try to acquire it. Companies that have already had some exposure to international markets begin to think about tactical marketing issues such as communication and sales effort. Finally, firms that have reached the export adaptation phase are mainly strategy and service oriented, which is to say that they worry about longer-range issues such as service delivery and regulatory changes. Utilizing the traditional marketing concept, one can therefore recognize that increased sophistication in international markets translates into increased application of marketing knowledge on the part of firms. The more they become active in international markets, the more firms recognize that a marketing orientation internationally is just as essential as it is in the domestic market.

Linking the various decision components and characteristics discussed so far facilitates an understanding of the process that a firm must undergo in its internationalization efforts. *Figure 3.1* presents a model of the internationalization process, with a particular focus on exporting. The model demonstrates the interaction between components and shows how a firm gradually grows into becoming a full participant in the global arena. With the help of this model, both management and the prospective employee can determine the firm's stage in the export development process and the changes needed to attain continued progress. To highlight the key implications of the different internationalization stages, the following profiles of companies delineate some of the more outstanding characteristics of firms in each one of these stages.

Figure 3.1: The Internationalization Process

Stage 1: The Completely Uninterested Firm

Profile: Most firms at this stage have fewer than 100 employees. The main decision-maker is the president. The firm does not export and does not plan to do so in the future. Management is not exploring the possibility of exporting nor will unsolicited export orders be filled. Management tends to believe that exports will not contribute to the firm's profits or growth.

Needs: Awareness of exporting.

Implementation: Increase communication that expounds the value of exporting on an unsolicited basis. Through trade associations and mini-conferences, communicate the tangible benefits of exporting. Use successful small exporters from a peer or reference group as role models, asking them to provide testimonials and case studies to firms not interested in exporting. Increase information dissemination showing the size and profitability of foreign markets. Increase international education in schools to foster awareness of the international marketplace. Expose management to export activity figures by industry, export profitability statistics, and data about the impact of specific export activities on the balance of trade.

Stage 2: The Partially Interested Firm

Profile: Most of these firms have fewer than 100 employees. Current exports are sold to fewer than ten customers. One-quarter of the firms have actively sought their first export order. Almost half of the firms started exporting to a psychologically close country, to which they currently ship half of their exports. The president of the firm has the most input in the export decision; the marketing manager is a close second. Management knows that the firm has exportable products and tries to fill export orders. Management tends to believe that exporting may be a desirable activity and undertakes some exploration of export possibilities. Management is uncertain whether the firm will export more in the future and whether exports will contribute to the firm's growth and profits. The main motivations for exporting are a unique product and profit advantage. Areas that the firm tends to see as being to some degree a problem in the export effort are financing, information on business practices, communication, the providing of technical advice, and sales effort. Firms believe that outsiders can be of substantial help to their export effort by assisting with obtaining financial information, financing, documentation handling, communication, and funds transfer.

Needs: Awareness of export benefits. Information about the mechanics of exporting.

Implementation: Use case studies to demonstrate the benefits that can be derived from exporting. Increase communications to make firms more aware of existing services. Provide these services in an accurate and timely fashion. Respond to export financing requests from such firms through more active small-volume export financing by government agencies or by establishing a facility that provides occasional exporters with small-sized

credits (below \$100,000) in a rapid fashion. Train employees to handle routine documentation problems and to have a general knowledge of the mechanics of the international transfer of funds. Institute a centralized task force which provides firms with rapid answers to non-routine questions. Encourage universities to include commercial aspects in their foreign language courses. Create university language banks that, for a small fee, aid firms in translating foreign documents.

Stage 3: The Exploring Firm

Profile: Most firms in this stage have fewer than 100 employees. These firms export to fewer than 20 customers. More than one-third of the firms have actively sought the first export order, which mainly originated from a psychologically close country that also absorbs currently about one-third of their exports. In management, the president is the major export decision-maker. The desirability of exporting is well known, as is the fact that the firm has exportable products. The firm is planning on exporting and is actively exploring export possibilities. The potential contribution of exporting to the firm's growth and profits is acknowledged, but past export profits have not met expectations. Having a unique product and obtaining a profit advantage are principal motivating factors for exporting. Important problems are encountered in the areas of communication, sales effort, marketing information gathering, information on business practices, and obtaining financial information. Outside assistance is seen as valuable in the areas of obtaining financial information; information on business practices, marketing information gathering, documentation handling, and communication.

Needs: Profitability of exporting. General information and practical assistance.

Implementation: Firms at this stage need particular help with data and information on how to use them. In addition, assistance with documentation, freight matters and the challenges of multi-lingual approaches is instrumental.

Stage 4: Experimental Exporter

Profile: Most firms in this category have fewer than 100 employees. Exports are typically shipped to about ten customers. One-third of the firms actively sought their first export order, which came mostly from a psychologically close country, where also one-third of the current exports go. The president is the major decision-maker. Exporting is seen favorably, but little active exploration of export possibilities takes place. Principal motivating factors for exporting are a unique product, technological advantage, and profit advantage. Important exporting problems are seen in the areas of sales effort, obtaining financial information, physical product adaptation, marketing information gathering, and information on business practices. Outside assistance is seen as somewhat helpful in the areas of marketing information gathering, information on business practices, handling documentation, obtaining financial information, and communication.

Needs: Active exploration of exporting. Assistance and help with product adaptation.

Implementation: Provide management with foreign purchasing requests for products manufactured by these firms. Increase participation of these firms in exhibitions and fairs abroad. Search for contacts for these firms and carry out initial contacts for them. By functioning as an intermediary placing export orders with firms, an institution could clearly demonstrate the benefits of exporting without forcing firms to partake in the initial risk. Apart from the general assistance, increased information on foreign product standards should be communicated to these firms. Tax legislation that would permit increased deductions for costs incurred in product adaptations would help to keep firms internationally competitive.

Stage 5: The Experienced Small Exporter

Profile: Most firms employ fewer than 100 people. Exports are shipped to an average of 40 customers. Four out of ten firms actively sought their first export order. One-third of the firms started their exporting to a psychologically close country, to which they currently ship one-fourth of their exports. The president is the major decision-maker, with strong input from the marketing manager. Exporting is seen in a very favorable light. Only the past profitability of export activities is called into question. Profit advantage, a unique product, managerial urge, and a technological advantage are the main factors motivating exporting. Problems encountered in exporting are important in the areas of communication, sales effort, marketing information gathering, obtaining financial information, and handling documentation. Outside assistance is seen as somewhat helpful in the areas of gathering information on business practices, marketing information gathering, obtaining financial information, communication, and financing.

Needs: Profitability of exporting. General assistance and help with financing.

Implementation: Financial assistance is now needed in greater size and for longer time periods than for firms in lower stages. Rapid responses to financing requests are not that important here. An increase in the cooperation between government and the banking sector will help satisfy this need. Training seminars on export financing would be of value to firms in this stage. Requests for financial information need to be addressed rapidly and accurately.

Stage 6: The Experienced Larger Exporter

Profile: Most firms employ between 100 and 250 persons. Exports are shipped to about 140 customers. About one-half of the firms actively sought their first export order. One-fifth of the firms began their export activities with a psychologically close country, to which they now ship only a small portion of their exports. The president and the marketing manager are the main export decision-makers in the firm. Exporting is seen in a very favorable light, with the firm planning to be continuously active in the

future. Main motivating factors for exporting are profit advantage, technological advantage, competitive pressures, tax benefits, a unique product, and managerial urge. Important problems are encountered in the areas of communication, sales effort, marketing information gathering, the providing of repair service, and information on business practices. Outside assistance is seen as possibly helpful in the areas of marketing information gathering, information on business practices, obtaining financial information, financing, and funds transfer.

Needs:

Learn how to provide international customer service.

Implementation:

To facilitate customer service abroad, companies should be encouraged to train foreign personnel, enabling them to provide such services abroad. These training costs, jointly with the indirect cost of customer service, such as the translation of repair manuals, could receive preferential tax treatment through multiple deductions to allow firms export expansion without strong hindrance by customer service cost consideration. Further tax incentives to such firms should be reconsidered because they are already satisfied with the profitability of the exporting efforts and sufficiently committed to the continuation of their international activities.

Source: Adapted from Michael Czinkota and Ilkka Ronkainen, *International Marketing*, 7th Edition, pg 243. (2004).

Corporate Strategy and Exporting

As a firm moves through the internationalization stages, unusual things can happen to both risk and profit. In light of the gradual development of expertise, the many concerns about engaging in a new activity, and a firm's uncertainty with the new environment, management's perception of risk exposure grows. Domestically, the firm has gradually learned about the market and therefore managed to decrease its risk. In the course of new international expansion, the firm now encounters new and unfamiliar factors, exposing it to increased risk. At the same time, because of the investment needs required by a serious export effort, immediate profit performance may slip. In the longer term, increasing familiarity with international markets and the benefits of serving diversified markets will decrease the firm's risk below the previous "domestic only" level and increase profitability as well. For the most part, the more advanced and experienced the firm, the lower the perception of the costs and risks of exporting and the

higher the perceived benefits. In the short-term, however, managers may face an unusual, and perhaps unacceptable, situation: rising risk accompanied by decreasing profitability.

Understanding the internationalization stages together with the behavior of risk and profitability can help management overcome the seemingly prohibitive cost of going international by understanding that the negative developments are only short-term. Yet, export success does require the firm to be a risk taker, and firms must realize that satisfactory export performance will take time. This satisfactory performance can be achieved in three ways: export effectiveness, efficiency, and competitive strength. Effectiveness is characterized by the acquisition of market share abroad and by increased sales. Efficiency is manifested later by rising profitability. Competitive strength refers then to the firm's position compared to other firms in the industry, and is, due to the benefits of international market experience, likely to grow. The international marketer must appreciate the time and performance dimensions associated with going abroad in order to overcome short-term setbacks for the sake of long-term success.

Chapter Four: Accessibly Designed Information and Communications Technology and Assistive Technology

In order to maximize success in marketing information and communications technology (ICT) products and services on an international basis, it makes good business sense to ensure that they are accessible and usable by as many individual consumers as *technically possible and economically feasible*. This is the whole point of international marketing – conducting transactions across international borders to create exchanges that satisfy a wide range of individual wants, needs, and preferences. (Note: From this point forward the reference to ICT products includes ICT services as well.)

The terms “universal design,” “accessibility,” and “accessible design” are often associated with designing products that are accessible, usable, and useful to people with disabilities. This chapter uses the term “accessibly-designed ICT” to describe, in a much broader sense, the ease with which any user can learn to prepare inputs for, operate, and interpret the outputs of ICT. This chapter presents information and examples in support of learning more about the access needs of consumer groups living in emerging markets and the mainstream market forces driving accessibly-designed ICT. Additionally, the subsequent *Experiential Exercises* walk user through how to use resources hosted on STAT-USA to conduct research in support of enhancing competitive advantages in the area of manufacturing and exporting accessibly-designed ICT and assistive technology (AT) products.

While many new and useful products come to market every day, it is ICT that is impacting, to the greatest degree, the way people live, learn, work, and play in both developed and developing countries. Understanding the major market forces driving the design of more accessible ICT products can be a powerful cost-justification for enhanced design which can result in the design of products that are accessible to many more consumers on a global scale.

Providing more accessible products can increase sales and generate significant returns on stakeholder investments in ICT companies. *Chapter 4* of this publication is dedicated to helping ICT manufacturers understand these market forces.

ICT manufacturers are expanding their presence into emerging markets. Businesses are serving populations they have not previously served. Engineers know from experience that every consumer is different. No two people have the exact same set of learning styles, abilities, experiences, or educational background. What used to be one market of *billions of consumers* has evolved into *billions of markets of one consumer*. This is a dramatic change from a decade ago.

The motivation for the design and manufacture of accessible ICT is partially fueled by supply-push market forces, including ethics and law. Conventional thought, however, has consistently overlooked even greater motivations: demand-pull market forces. These stimuli drive businesses to increase the production of accessibly-designed technology as a means to boost market share, profit, and competitive advantage. Companies that design products with accessibility in mind can benefit not only from an increase in sales to consumers with disabilities, but also gain a competitive advantage with mainstream consumer bases. With ICT prevalent in schools, work places, homes, banks, and even places of recreation, consumers are becoming more technically literate and demanding. Therefore, accessible ICT designs provide companies a venue to gain competitive advantage in an increasingly internationalized and competitive industry.

The ability to access and use ICT from within developing countries varies greatly from that of developed countries. Because of these differences, manufacturers are well-served to avoid unintentionally excluding large populations of consumers from access to and use of their

products. *Chapter One* cited the consumer groups at highest risk of exclusion. They are worth repeating in this chapter and are as follows:

- Users of English as a Second Language (ESL);
- People living in countries where bandwidth is low;
- Consumers with disabilities;
- People 65+ years of age;
- Individuals who never learned to read; and,
- People living in societies that speak many languages.

Accessible Information and Communications Technology Design and Users of English as a Second Language

In 1989, a China Airlines flight, flying in zero visibility, crashed into the side of a mountain shortly after takeoff. On the voice recorder, the last words of the Chinese pilot to the co-pilot were, “*What does pull up mean!?*” The reason for this tragic lack of understanding was that the official term used in “control tower” lingo is “climb.” However, the warning systems built into U.S.-manufactured planes issue the verbal warning “*Pull up!*” when altitude drops or an object appears in a plane’s flight path. Expressions such as pull up (two-word verbs) are often difficult for ESL users because their meanings cannot be derived by knowledge of the individual words. Many agree that English is one of the most difficult “second” languages to learn because of the complexity of the language. *Table 4.1* highlights some of these intricacies.

Table 4.1: Examples Why English is a Difficult Second Language to Learn

1. The bandage was wound around the wound.
2. The farm was used to produce produce.
3. The dump was so full that it had to refuse more refuse.
4. We must polish the Polish furniture.
5. He could lead if he would get the lead out.
6. The soldier decided to desert his dessert in the desert.
7. Since there is no time like the present, he thought it was time to present the present.
8. A bass was painted on the head of the bass drum.
9. When shot at, the dove dove into the bushes.
10. I did not object to the object.
11. The insurance was invalid for the invalid.
12. There was a row among the oarsmen about how to row.
13. They were too close to the door to close it.
14. The buck does funny things when the does are present.
15. A seamstress and a sewer fell down into a sewer line.
16. To help with planting, the farmer taught his sow to sow.
17. The wind was too strong to wind the sail.
18. After a number of injections my jaw got number.
19. Upon seeing the tear in the painting I shed a tear.
20. I had to subject the subject to a series of tests.
21. How can I intimate this to my most intimate friend?

Source: Author unknown.

David Crystal of the University of Wales, author of the *Cambridge Encyclopedia of the English Language*, says about 1.5 billion of the world's population use ESL as compared to the 400-million native English speakers. It is for this reason that writing clear, concise, and

understandable content for ICT products used by the ESL community is critically important in a global marketplace.

For the purpose of this chapter, the term “content” is defined as written and spoken subject information that is organized and presented in auditory and print formats for useful purposes. This includes content included in Webpages, documentation, software application interfaces, automated teller machines (ATMs), self-service kiosks, and consumer electronic products, to cite just a few examples.

The same writing techniques used to accommodate people with cognitive reading disabilities can be used to accommodate the needs of users of ESL! “Plain Language,” one way to accomplish this, is explored below.

Plain Language

Plain Language is communication your audience can understand the first time they read or hear it. Language that is “plain” to one set of readers may not be “plain” to others. Written material is in Plain Language if your audience can:

- Find what they need;
- Understand what they find; and
- Use what they find to meet their needs.

No one technique defines Plain Language. Rather, Plain Language is defined by results – it is easy to read, understand, and use.

The benefits of using Plain Language to make ICT products more accessible, usable, and useful to users of ESL are both tangible and intangible. For example:

- Plain Language gets your message across in the shortest time possible using the least number of words possible.

- More people are able to understand your message.
- There is less chance that your written communications will be misunderstood. This can result in less time spent explaining content to your customers and hopefully avoiding legal problems resulting from misunderstandings or interpretations.

For example, the U.S. Department of Veteran Affairs utilized StyleWriter, a professional *styling* application,³⁷ to simplify a letter containing important information for veterans.

Benefits counselors estimated that 750 copies of the original letter had been sent in one year with over 1,100 calls as a result. After the letter was simplified, 710 copies were sent resulting in just under 200 calls.³⁸ The U.S. Government³⁹, as well as Australia, Canada, the European Commission, Sweden, and the United Kingdom⁴⁰ promote and support the use of Plain Language writing techniques through Plain Language programs.

Accessible ICT Design and Low Bandwidth Infrastructures

The International Telecommunications Union Digital Access Index was the first global index to rank the access potential of country information infrastructures. The Digital Access Index is a powerful tool for comparing Internet bandwidth in bits-per-second per capita. As highlighted in *Chapter One*, the average Internet bandwidth for the top ten emerging markets by population (total of 3.3 billion consumers) is 212 bits-per-second per capita. By comparison, the U.S. average is 1,324 bits-per-second. Canada's average is 2,848 bits-per-second per capita! Unquestionably, e-commerce, e-government, and e-learning infrastructures designed to operate efficiently across the United States, Canada, Japan, and Europe may not operate as efficiently, effectively, or even at all, from within many emerging markets. According to the Worldwide Web Consortium, "While affordable, available high-bandwidth technology is becoming a reality for some Web users, by far the majority of the world's users are limited to low-bandwidth

connections because of geographical isolation, underdeveloped communications infrastructure, or economic limitation. Even those living in areas with access to high-bandwidth infrastructure may still be limited to low-bandwidth applications because of the technology they have chosen to use – such as cell-phones, personal digital assistants (PDAs), and other emerging technologies – or are forced by economic circumstances to use (e.g. older systems).”⁴¹

The same techniques used to make the Web accessible to people with disabilities can enable Webpages to be automatically transcoded into wireless protocols. Live, online transcoder technology can be found at http://www.ideal-group.org/any_website_transcoding.htm.

Transcoders take the content of standard Webpages and reformat it in a manner that makes the content displayable on the small screens of wireless devices. One example of how accessible Web design helps this process is the use of “alternate text” (commonly referred to as “alt text”) for graphic images. When transcoders process HTML they sometimes strip out the graphic images because they are too large. The alt text is then displayed in place of the image. If alt text descriptions are not included as part of the image, the file name is displayed instead. Why is this so important? This can make the difference between a wireless user seeing “image.jpg” on their screen or “Click here to purchase this item...” when alt text is employed.

Accessible ICT Design and People with Disabilities

What do telephones, typewriters, and television captions all have in common? Today, they are part of the mainstream fabric of technology, benefiting millions worldwide, but they were actually pioneered in support of people with disabilities. These products are also a part of a growing movement to design accessible ICT that “accommodates the wants, needs, and preferences of as many individual consumers as reasonable, technically possible, and economically feasible.”⁴²

The market potential for a company that embraces and implements accessible ICT design is enormous. In the United States alone, 54 million people, or 20 percent of the population, have some type of disability such as low vision, blindness, deafness, hearing impairments, mobility disabilities, and/or cognitive disabilities.⁴³ As significantly, the purchasing power of consumers with disabilities totals \$175 billion in discretionary income, which is twice the size of the heavily courted teen market.⁴⁴ On an international scale, the potential is amplified: In the top five emerging markets by population – **China, India, Brazil, Indonesia and Russia** (also referred to as the **CIBIR** markets) – the market for accessible ICT leaps to nearly 500 million people.⁴⁵

As mentioned above, just under 20 percent of the population of the United States, 15+ years of age, have a disability. Extrapolating this percentage to similar age categories within emerging market populations presents a compelling reason to design products to be more accessible. The percentage of people with disabilities is most likely different in emerging markets than in the United States. This is due to poor healthcare systems. This fact enables us to provide a credible estimate of the number of people with disabilities living in emerging markets by simply extrapolating the percentages of people with disabilities in the United States into the percentages of people with disabilities living in the top ten emerging markets.

Table 4.2: Estimated Population, 15+ Years of Age, with Disabilities

Top Ten Emerging Markets Ranked by Population	Total Population, 15+ Years of Age (Millions)	Estimated Population, 15+ Years of Age, with Disabilities [Extrapolated] (Millions)
China	1,018.5	203.7
India	737.0	147.4
Indonesia	171.0	34.2
Brazil	136.5	27.3
Russian Federation	121.5	24.3
Mexico	72.5	14.5
Turkey	51.0	10.2
South Korea	38.5	7.7
Poland	32.0	6.4
South Africa	30.5	6.1
Total for the top ten emerging markets	2410.0	482.0
United States	233.0	46.6
Canada	26.5	5.3

A powerful force driving the accessibly-designed ICT market in the United States is the Rehabilitation Act Amendments of 1998, which covers access to federally funded programs and services. The law requires access to electronic and information technology provided by the Federal Government. The law applies to all federal agencies when they develop, procure, maintain, or use electronic and information technology. Federal agencies must ensure that this technology is accessible to employees and members of the public with disabilities to the extent it

does not pose an “undue burden.” Section 508 speaks to various means for disseminating information, including computers, software, electronic office equipment, and Webpages. In fact, the U.S. government considers compliance with Section 508 so important that it developed and maintains a comprehensive Website dedicated to it. The URL is <http://www.section508.gov>.

Given that the U.S. government spends well in excess of \$65 billion a year on ICT products and services, it’s understandable why so many large ICT manufacturers have dedicated themselves to understanding the opportunities surrounding the design of more accessible ICT products.

U.S. manufacturers that design accessible ICT products for their home market have discovered that their innovative designs can benefit them in foreign markets with similar, ICT access-focused legislation. Over the past seven years, many major ICT manufacturers have created divisions of their companies dedicated *solely* to accessible ICT design practices. *Table 4.3* lists the accessible design home pages of just a few of these companies. We encourage you to look at these sites to learn more about the design techniques being used to enhance accessibility. A note of interest: the companies listed below generated \$425 billion in revenue in 2004 and employed 1.18 million employees!

Table 4.3: List of Major ICT Manufacturers' Accessible Design Home Pages

ICT Manufacturer	URL
Apple	http://www.apple.com/accessibility/
Avaya	http://www.avaya.com/gcm/master-usa/en-us/solutions/offers/accessibility.htm
Canon USA Inc.	http://www.usa.canon.com/html/gmd/section508_2.html
Cisco Systems, Inc.	http://www.cisco.com/wwl/regaffairs/accessibility_standards/
Dell	http://www1.us.dell.com/content/topics/reftopic.aspx/pub/508?c=us&cs=RC973413&l=en&s=slg
Hewlett-Packard	http://www.hp.com/hpinfo/abouthp/accessibility/
IBM	http://www.ibm.com/able/
Microsoft	http://www.microsoft.com/enable/
Oracle	http://www.oracle.com/accessibility/index.html
Panasonic	http://www.panasonic.com/accessibility/
SAP	http://www.sapdesignguild.org/editions/edition9/gui_acc.asp
Sony Electronics Inc.	http://b2b.sony.com/Section508/index.html
Sun Microsystems	http://www.sun.com/access/

Brief Overview of the ICT Access Needs of People with Disabilities

In some instances, gaining an understanding of the access needs of people with disabilities can provide designers insight into the access needs of people without disabilities. For example, the access needs of people living in emerging markets are often similar to those of people with disabilities and can be accommodated in similar manners. The ICT access needs of people who are blind are similar to those of individuals who never learned to read. The ICT access needs of people with cognitive learning disabilities are similar to those of individuals who use English as a Second Language. The access needs of people with disabilities trying to access the Internet are often similar to those of individuals operating computers connected to the

Internet from within low bandwidth environments. It is for this reason we felt it important to provide a brief overview of the ICT access needs of people with disabilities

*Visual Impairments*⁴⁶

There are approximately 10 million people in the United States who are blind or visually impaired. Visual impairments include the following: blindness, partially sighted, low vision, and color blindness. Users with visual impairments may encounter great difficulty or find it impossible to complete the following types of tasks:

- Locating equipment
- Locating commands/devices
- Identifying commands/devices
- Using touch-screens
- Reading text on a screen
- Selecting objects on a screen
- Receiving graphics and video information
- Receiving visual alerts and signals
- Inserting cards/coins/media
- Reading printed material, including instruction manuals

*Hearing Impairments*⁴⁷

More than 24 million people in the United States have a significant loss of hearing. Hearing impairments include the following: deafness, hard of hearing, conductive hearing loss, sensorineural hearing loss, and mixed hearing loss (both conductive and sensorineural). Users who are deaf or hard of hearing may encounter great difficulty or find it impossible to complete the following tasks:

- Receiving audio information
- Understanding speech information
- Receiving acoustic alerts and signals
- Using speech input

In general, people with impaired hearing may have difficulty localizing the source or direction of sound, filtering out background sound, perceiving both high- and low-pitched sounds, and carrying on a conversation.

*Mobility Impairments*⁴⁸

More than 40 million people in the United States have a significant loss of mobility. Mobility impairments can include the following: tremors and spasticity, paralysis and partial paralysis, amputation, and loss of coordination and strength. Users with mobility impairments may encounter great difficulty or find it impossible to complete the following tasks:

- Using switches
- Lifting/holding devices and handsets
- Using dials
- Using numeric keypads
- Using a keyboard
- Handling a pointing device and using a mouse
- Using a touch-screen
- Inserting cards/coins/media
- Handling printed manuals and books
- Accessing equipment

*Cognitive Disabilities*⁴⁹

More than 12 million people in the United States have a significant cognitive disability. Cognitive disabilities can include the following: dyslexia, cerebral palsy, retardation, and severe learning disabilities. Users with cognitive disabilities may encounter great difficulty or find it impossible to complete the following tasks:

- Writing on a keyboard
- Reading text on a screen
- Reading printed material
- Understanding speech information
- Handling a pointing device and using a mouse
- Navigating complex menu structures
- Responding quickly

*Speech and Language Disabilities*⁵⁰

It is estimated that communication disorders (including speech, language, and hearing disorders) affect one of every ten people in the United States.

Speech disorders refer to difficulties producing speech sounds or problems with voice quality. They might be characterized by an interruption in the flow or rhythm of speech, such as stuttering, which is called dysfluency. Speech disorders may be problems with the way sounds are formed, called articulation or phonological disorders, or they may be difficulties with the pitch, volume or quality of the voice. There may be a combination of several problems. Users with speech disabilities may encounter great difficulty or find it impossible to complete the following tasks:

- Using cell phones and standard telephones

- Participating in online audio conferences
- Using speech recognition software
- Responding verbally

Rapidly emerging electronic and information technology (E&IT) is redefining, and in some instances complicating, the relationship between people with disabilities and the E&IT industry. Emerging E&IT presents people with disabilities new opportunities to enhance their independence, employability, and quality-of-life. However, in order to reap the benefits these technologies must be accessible.

Color Blindness

People with color blindness are not usually thought of as having a disability. However, when one considers the use of color in ICT interfaces, this becomes an important factor.

Worldwide there are approximately 227 million men and 13 million women who either cannot distinguish red from green, or see red and green differently from most people. This is the most common form of colorblindness. Colorblindness affects seven percent of all men and 0.4 percent of all women worldwide. Effective tools for viewing, testing, and evaluating color contrast are as follows:

- Contrast of Chinese Characters:
http://ideal-group.org/demonstrations/chinese_1.htm
- Test Colors Application:
<http://ideal-group.org/demonstrations/TestColors.exe>

Fortunately, the difficulties in accessing ICT, described above, can be minimized by the proper application and use of assistive and other advanced technology. These technologies have become so useful that they have crossed over from the disability community to mainstream use.

International Marketplace 4.1, “Making the Jump from Disability Access Technology to Mainstream Access Technology,” provides a useful example of this trend:

International Marketplace 4.1: Make the Jump from Disability Access Technology to Mainstream Access Technology, Read 600 Words-Per-Minute from the Display of a Cell Phone!

Displaying words in large type, one word at a time, has been proven to help people with low vision and certain types of cognitive reading disabilities. Eliminating movement and the transfer of the fixation anchor along a line of words reduces the interval needed for eye movements. This alone can account for an increase in comprehension.

Text appearing on small displays is hard to read. The average person reads 240 words-per-minute. This decreases to 200 words-per-minute when reading from a computer screen. Reading speeds decrease, even further, to 150 words-per-minute, when reading from small displays.

Your eyes fixate on about 30 percent of the words when you scan an article and 65 percent of the words when reading at normal reading speeds. Interestingly, your eyes fixate on 90 percent of the words using serial word reading technology, which is a form of Rapid Serial Visual Presentation (RSVP). The higher the fixation rates, the higher the rate of comprehension.

RSVP rapidly displays individual words, one at a time, in the center of a screen. RSVP initiates a specific brain response that actually improves comprehension. Here’s a demo: <http://www.flashreader.com/>. Displaying words in large type, one word at a time, holds the potential to increase the readability of small displays for everyone.

One of the first uses of RSVP technology was in support of children with reading disabilities. It was used for rapidly displaying individual words, one at a time, in the center of a monitor’s screen. Each new word replaced the previous word. In 1999 the RSVP method was used to illustrate how quickly reading performance can be improved. In one class, the average reading speed from a paper document was measured to be 342 words-per-minute, with a range from 143 to 540 words-per-minute. After determining the basic reading rate, the class members read material presented on the screen, one word at a time, at 600, 800, 1,000, 1,300, and finally 1,600 words-per-minute. After each set of reading material, the students answered multiple-choice questions about the text. The average for the class was 1,212 words-per-minute, which is about 3.5 times faster than reading in the traditional way. There is no question that the computer can help improve reading performance; but it must be done in nontraditional ways.

Serial Word-Reading holds the potential to revolutionize the way we read from computer displays, especially the small ones built into PDAs and cell phones. And it all started in support of members of the disability community.

Accessible ICT Design and People 65+ Years of Age

The world's population of persons 65+ is growing by 800,000 every month according to the National Institute on Aging.⁵¹ This aging of the world's population will force increased changes in the products that people want and need. Demographics are changing - while the number of people over 65 is increasing, this segment of the population itself is getting older. By 2150, one out of three persons will be 60 years or older. About one-third of these individuals will be 80 years or older.

There are 218 million consumers 65+ years of age living in the top ten emerging markets. By comparison, there are 36.7 million people 65+ years of age living in the United States and 4.3 million in Canada.

The aging of the consumer market necessitates technological design awareness to accommodate the needs and wants of aging populations worldwide. For instance, people 65+ years of age cannot see, hear, think, and move about as easily as they did when they were teenagers. Additional statistics are as follows:

- 52 percent of people 65+ years of age have some type of disability.⁵²
- One in three people over the age of 65 have some degree of hearing loss.⁵³
- 29 percent of 65+ populations have a physical disability.⁵⁴
- 4.7 million people 65+ years of age have a sensory disability.⁵⁵

Analyzing the population statistics above and keeping in mind that by 2050 it is expected that older people will outnumber children 14 and under (for the first time ever), indicates a shift from a youth target market to the older population. This older population will be made up of people who grew up with the latest, newest ICT. They will demand continuing access to products they depend on such as cell phones, PDAs, ATMs, e-commerce Websites, etc.,

regardless of whatever physical limitations they may have. The manufacturer that is prepared with products to address this older, tech-savvy population will have the competitive advantage.

Accessible ICT Design and Individuals who Never Learned to Read

There are no universal definitions and standards of literacy. However, by any definition, low levels of literacy and education, in general, can impede the economic development of a country in our rapidly changing, technology-driven world.

In the ten largest emerging markets, there are 452 million people who never learned to read. By comparison, there are seven million people who never learned to read living in the United States and 800 thousand living in Canada.

Making your products accessible to people who never learned to read could make your company a leader in its field and increase market share and potential profits.

The same text-to-speech design methodologies used to accommodate people who are blind can be used to accommodate the ICT access needs of people living in emerging markets who never learned to read. *International Marketplace 4.2* provides an example:

International Marketplace 4.2: Talking Technologies: Achieving Competitive Advantage in Societies with Large Populations of People who Never Learned to Read

The American public thinks of ATMs exclusively for banking, informational kiosks for information, and ticketing machines for ticketing.

Most developing countries are cash-based societies. It is for this reason that most people living within emerging markets do not have bank accounts. Individuals living in these societies keep their money safe by hiding it. Instead of borrowing money from banks, they borrow money from family and friends. They shop with cash.

It is critically important for developing economies to have mechanisms for increasing cash flows back through banks in support of funding capital projects for educational and healthcare projects. This is a critical success factor in evolving a developing country into a developed country. People in developing countries can also benefit by having:

- A safe place to deposit earnings;
- A safe place to keep earnings benefits until needed;
- A way to pay bills; and,

- A way to pay for purchases.

ATMs and some informational and self-service kiosks can serve as powerful pathways for flowing cash throughout societies. However, if people can't read, they can't use these devices – or can they? Talking ATMs, and some ticketing kiosks, have become commonplace in the United States as a result of laws requiring that they be made accessible to people who are blind.

The same talking technologies are making these devices accessible, usable, and useful to people who never learned to read living in the top ten emerging markets – albeit with different functionality. For example:

- Money transfer services;
- Person-to-person payments;
- Check cashing;
- Issuing payroll cards (similar to debit cards);
- Purchasing money orders;
- Cash acceptance for keeping money safe. It can be withdrawn at any time – *without* having a formal bank account!
- Prepaid wireless telephone cards;
- Bonds distribution; and,
- Selling life insurance cards.

Accessible ICT Design and People Living in Societies that Speak Many Languages

Far more languages are used, and dialects spoken, in the top ten emerging markets than anywhere else in the world.

When Coca-Cola first entered the Chinese market in 1928, they had no official representation of their name in Mandarin. They needed to find four Chinese characters whose pronunciations approximated the sounds “ko-ka-ko-la” without producing a nonsensical or adverse meaning when strung together as a written phrase. (Written Chinese employs about 40,000 different characters, of which about 200 are pronounced with sounds that could be used in forming the name “ko-ka-ko-la.”) While Coca-Cola was searching for a satisfactory combination of symbols to represent their name, Chinese shopkeepers created signs that combined characters whose pronunciations formed the string “ko-ka-ko-la,” but they did so with no regard for the meanings of the written phrases they formed in doing so. The character for

wax, pronounced “la,” was used in many of these signs, resulting in strings that sounded like “ko-ka-ko-la” when pronounced but conveyed nonsensical meanings such as “female horse fastened with wax,” “wax-flattened mare,” or “bite the wax tadpole” when read.⁵⁶

The Internet is anonymous because face-to-face contact is not involved in making purchases or business decisions. Because of this, a Website must get through people’s “barriers of trust.” If the content supporting your product is not written and presented in a localized version of a prospective client’s language, it is unlikely that they will do business with you.

Experts claim that 25 to 30 percent can be cut from text without impacting the message. This can result in the saving of millions of dollars when translating English content into other languages. The reason is two-fold: (1) you are translating a smaller number of words and (2) translating Plain Language writing, where one word has only one meaning, results in more accurate machine translations that require less human translator clean-up time. Seventy to 80 percent of all Webpages are in English, but only 33 percent⁵⁷ of Web users are native English speakers, pointing out the importance of language translation.

Language Translation is Big Business

According to a 2002 survey by ABI Research, a market research firm, worldwide language translation revenues were \$7.9 billion in 2002 and will reach \$11.5 billion by 2007. Using Plain Language to design content in support of people with cognitive reading disabilities can save companies millions of dollars in translating content into other languages.

*Figures 4.1a-f*⁵⁸ highlight a few examples:

Figure 4.1a: Original Advertisement

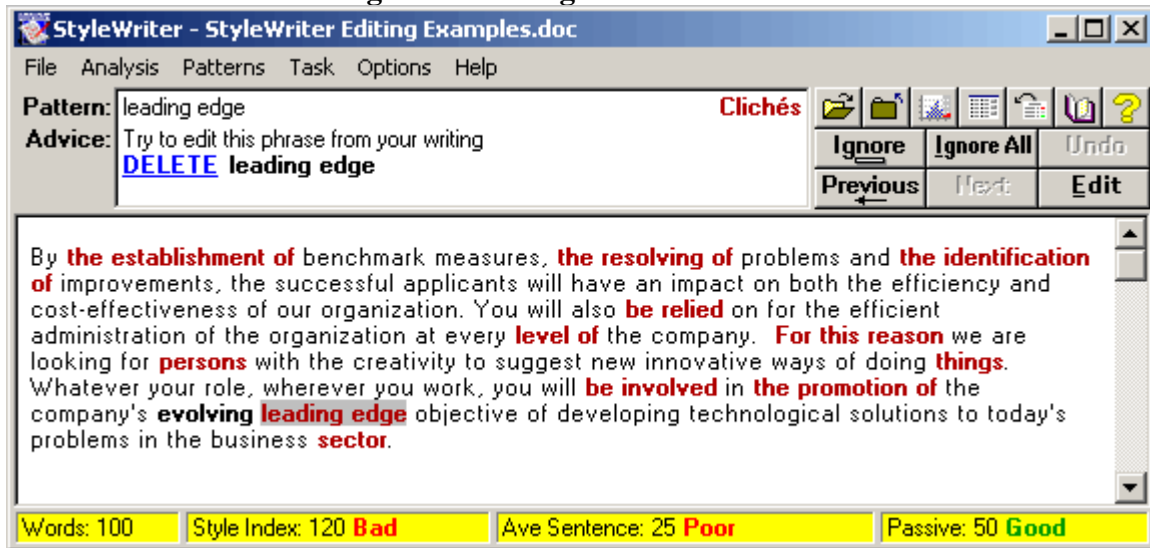


Figure 4.1b: Redrafted Advertisement (40 percent savings)

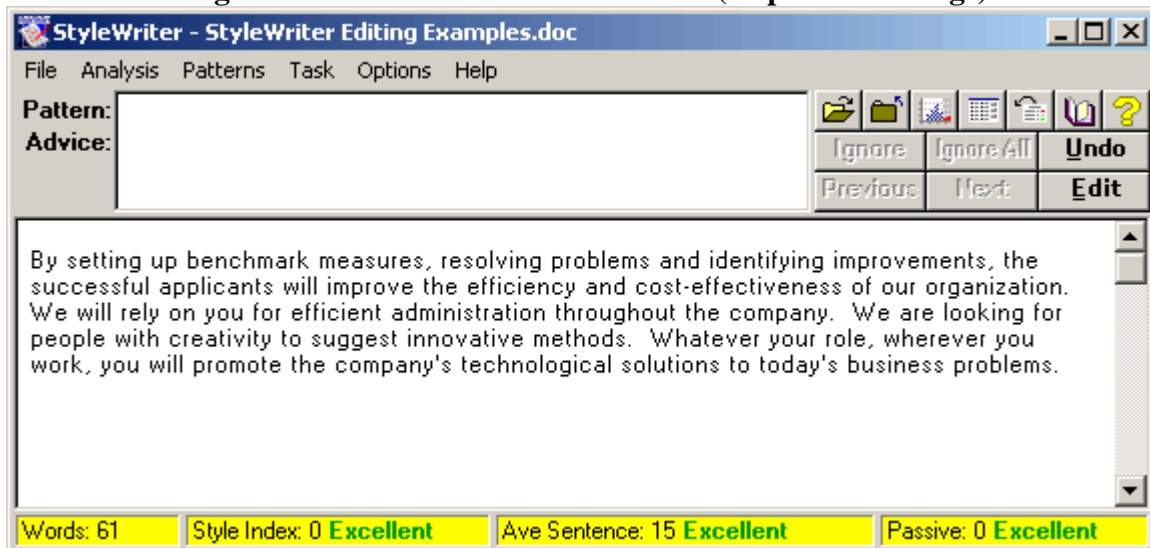


Figure 4.1c: Original News Article

StyleWriter - StyleWriter Editing Examples.doc

File Analysis Patterns Task Options Help

Pattern: commencement **Complex Words**

Advice: [start](#), [beginning](#)

Ignore Ignore All Undo

Previous Next Edit

Last week the President **executed** the most important order of the war since **its commencement** on March 24 when a call from NATO Commander General Wesley Clark for 24 Apache helicopters and 18 **long range** missile launchers **was granted**. Even as the President, his aides and his allies insisted that they were not **contemplating** a ground war, the President was **in the process of** moving more soldiers onto Balkan soil.

On Thursday NATO's bombers in Kosovo claimed their first "friendly fire" casualties, and **the fact that** they were ethnic Albanian civilians will raise pressure on the alliance for **the ending of its** air campaign. It **was acknowledged** by the alliance that a bomb **was accidentally dropped** on a column of cars and tractors killing **a number of** refugees. But the Serbs **were blamed** by military sources for putting the civilians in harm's way.

Words: 143 Style Index: 90 **Poor** Ave Sentence: 29 **Bad** Passive: 80 **Poor**

Figure 4.1d: Redrafted News Article (18 percent savings)

StyleWriter - StyleWriter Editing Examples.doc

File Analysis Patterns Task Options Help

Pattern: its **Confused Words**

Advice: [it's](#) = it is, it has
[its](#) = belonging to it

Ignore Ignore All Undo

Previous Next Edit

Last week the President issued his most controversial order of the war since it began on March 24. He agreed to grant General Wesley Clark's call for 24 Apache helicopters and 18 long-range missile launchers. Even as the President, his aides and his allies insisted that they were not considering a ground war, the President was moving more soldiers onto Balkan soil.

On Thursday NATO's bombers in Kosovo have claimed their first "friendly fire" casualties. The alliance has admitted accidentally bombing a column of cars and tractors killing ethnic Albanian civilians. Although military sources say the Serbs had put the civilians in harm's way, the killings will raise pressure for the alliance to end **its** air campaign.

Words: 117 Style Index: 0 **Excellent** Ave Sentence: 20 **Excellent** Passive: 0 **Excellent**

Figure 4.1e: Original Technical Report

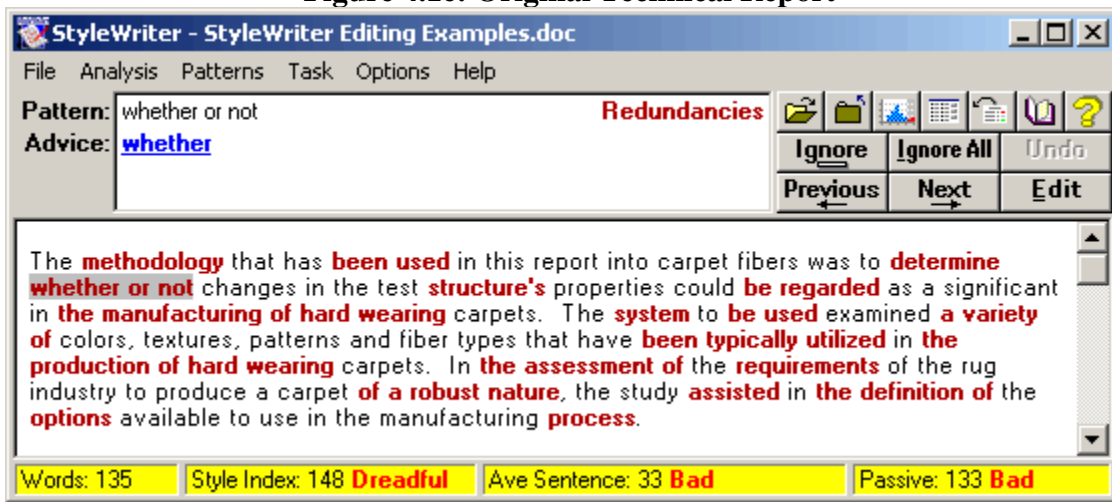
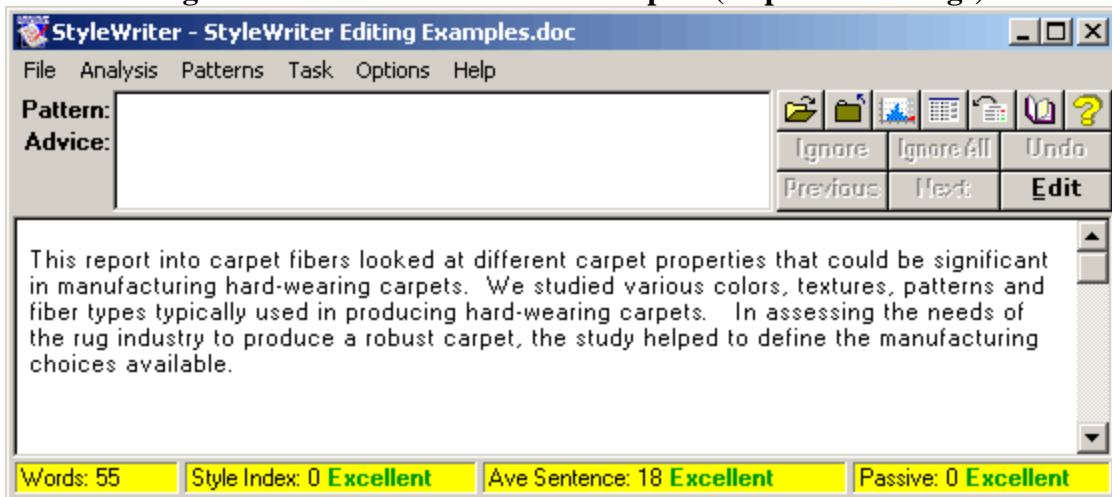


Figure 4.1f: Redrafted Technical Report (60 percent savings)



When one considers the billions of dollars invested in language translation yearly, a 20 to 25 percent savings is very significant.

Assistive Technology

As we learned in *Chapter One*, AT can provide users with the ability to access ICT products that are otherwise inaccessible to people with disabilities. Mainstream ICT manufacturers can gain significant competitive advantage by testing the compatibility of their ICT with a wide range of AT products.

Over the past several years, AT developers partnered together, through the Assistive Technology Industry Association, to write a set of AT-ICT compatibility guidelines. The objectives of the guidelines are to support ICT industry efforts to develop products that are interoperable and compatible with AT. Examples of how incompatibility issues manifest themselves include the following:⁵⁹

- Partial and selective installations of Windows software may not install drivers critical to the operation of AT.
- Installation of software that makes use of shared resources or shared applications can inadvertently overwrite existing AT settings and features.
- Different hardware vendors use different video and sound drivers. This can negatively impact compatibility with AT software.
- Some applications take exclusive control of a PC's sound device. This can block the sound output generated by AT.

Chapter Five: A Brief Guide to STAT-USA

STAT-USA[®], an agency in the U.S. Department of Commerce's Economics and Statistics Administration, delivers vital economic, business, and international trade information to individuals and businesses. This information enables businesses, particularly exporters, to perform comprehensive market research and make informed business decisions. Over the years, business people and educators alike have come to depend on various web products offered by STAT-USA for up-to-date, credible, and reliable information.

STAT-USA brings together information from hundreds of separate offices and divisions throughout the Federal Government, and provides it to the public via three Websites: **STAT-USA[®]/Internet[™]** (domestic and international business and trade opportunity information; <http://home.stat-usa.gov>), **USA Trade[®] Online** (U.S. merchandise trade statistics resulting from foreign trade; <http://www.usatradeonline.gov>), and **EuroTrade Online[®]** (intra- and extra-EU trade statistics; (<http://www.eurotradeonline.gov>)).

This chapter provides an overview of the information resources available on STAT-USA/Internet and USA Trade *Online*, as well as searching and navigation tips to facilitate your international market research and analysis. It does not, however, include detailed instructions related to EuroTrade *Online*; users interested in finding out more about this particular site should contact STAT-USA directly.

Note: STAT-USA welcomes feedback from its users. Questions, comments, and service inquiries should be directed to STAT-USA's Customer Service Center via phone at 1-800-STAT-USA (or 202-482-1986) and via e-mail at statmail@esa.doc.gov.

Accessing STAT-USA Web Services

In 1994, Congress directed STAT-USA to recover operational costs by charging users for access to its products and services; however, in a partnership between the U.S. Government

Printing Office and the Commerce Department, free public access to STAT-USA/Internet and USA Trade *Online* is provided at Federal Depository Libraries (FDLs) nationwide (visit <http://www.gpoaccess.gov/libraries.html> to find an FDL near you). Additionally, hundreds of schools and businesses across the country have multiple-user access to STAT-USA services through site license and consortium accounts. Finally, individuals can gain access to our services on a single-designated user basis (visit <http://www.stat-usa.gov/products> for pricing and order information).

STAT-USA/Internet

STAT-USA/Internet (<http://www.stat-usa.gov> - see *Figure 5.1*) is a single point of access to business, trade, and economic information from across the Federal Government. STAT-USA/Internet's content is organized into two main sections:

Figure 5.1: STAT-USA/Internet Home Page

STAT-USA[®]/Internet[™]
Your trusted source for federal business, trade, and economic information!
September 14, 2005 Edition
You are logged in as Usdoc/Ita/Oirm

Home STAT-USA/Internet, a service of the [U.S. Department of Commerce](#), is a single point of access to authoritative business, trade, and economic information from across the Federal Government.

Log-in Now

Site Search

Documents Added Recently

Account Maintenance Renew Here!

What is STAT-USA?

Subscribe Now!

What's New?

How to Contact Us

Privacy Policy

Accessibility

Endorsement Disclaimer

Help

State of the Nation[®]
[State of the Nation](#) -- Access this area for current and historical economic and financial releases and economic data. Stay informed with direct access to the Federal Government's wealth of information on the U.S. Economy. Access to files for subscribers only.
[What type of information does this area contain?](#)

GLOBUS & NTDB[®]
[GLOBUS & NTDB](#) -- Access this area for current and historical trade-related releases, international market research, trade opportunities, country analysis, and our trade library...the **National Trade Data Bank (NTDB)**. Access to files for subscribers only.
[What type of information does this area contain?](#)
Looking for more detailed Foreign Trade Statistics? Consider buying a subscription to these other services: [Go to USA Trade[®] Online right now](#) for U.S. Merchandise Trade data!
[Go to EuroTrade Online right now](#) for European Union merchandise trade data.

STAT-USA[®]
1-800-STAT-USA
202-482-1986
statmail@esa.doc.gov

State of the Nation[®] (SOTN): This section tracks the direction of the U.S. economy and provides a repository for statistical releases of economic indicators from a number of federal agencies, including the U.S. Census Bureau, Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board, Department of Treasury, and Federal Reserve System banks. Information provided in SOTN includes economic news/releases, economic indicators, and topical areas including employment and economic policy, and restricted releases. The main SOTN page is located at <http://www.stat-usa.gov/sotn>.

National Trade Data Bank (NTDB®): This section provides information on international commerce from federal agencies, such as the Department of Agriculture, Department of State, Census Bureau, Defense Logistics Agency, and U.S. Trade Representative. Information provided in the NTDB includes trade leads, exchange rates, market and country research, contact databases, and the International Trade Library (ITL). The main NTDB page is located at <http://www.stat-usa.gov/ntdb>.

Note: In response to user feedback, STAT-USA/Internet includes selected information from nonfederal sources. These include the Institute for Supply Management, Cantor/Fitzgerald, Organisation for Economic Co-operation and Development, The Conference Board, United Nations, University of Michigan, and World Bank.

Unique Navigation and Searching Instructions

STAT-USA/Internet provides a host of navigation tools and a range of easy-to-use search options to help guide your research. In addition to the highlights below, detailed searching instructions are available at http://www.stat-usa.gov/help_search. Figures 5.2a-5.2c show where key navigation and searching features are located on the site.

Figure 5.2a: Various features of STAT-USA/Internet

The screenshot shows the GLOBUS & NTDB website interface. Annotations point to the following features:

- (1) NTDB Toolbar: Located at the top of the page, containing navigation links like Home, GLOBUS & NTDB, ETO, Trade Library, SOTN, Site Search, and Site Map.
- (2) Expand and Collapse Lists: Located on the left side of the document list, showing expand/collapse icons for document counts.
- (3) Sorting Feature: Located at the top of the document list, showing a 'Title' column header with a sorting arrow.
- (4) Site Search: Located at the top right of the page, featuring a search input field and a 'Go Search' button.
- (5) QuickSearch: Located below the navigation bar, featuring a search input field and a 'Go Search' button.
- (6) Location Aid: Located on the left side of the page, featuring a globe icon and the text 'United Nations Trade Leads'.

The main content area displays a list of trade leads with columns for '# of docs' and 'Title'. The current view is set to 'Current (within 3 months) Demand Documents'. A note at the bottom of the screenshot states: 'Note: These leads are provided through the United Nations Trade Point Development Centre (UNTPDC) and have not been vetted and are not endorsed by any agency of the United States Government. Also Note: Because of the number of leads involved, Demands (wanting to buy) and Offers (wanting to sell) are retained on a different schedule. Current Demands covers the last 3 months, Current Offers covers just the last month. All Demands covers roughly 3 years, All Offers covers three months.'

Figure 5.2b: Various features of STAT-USA/Internet

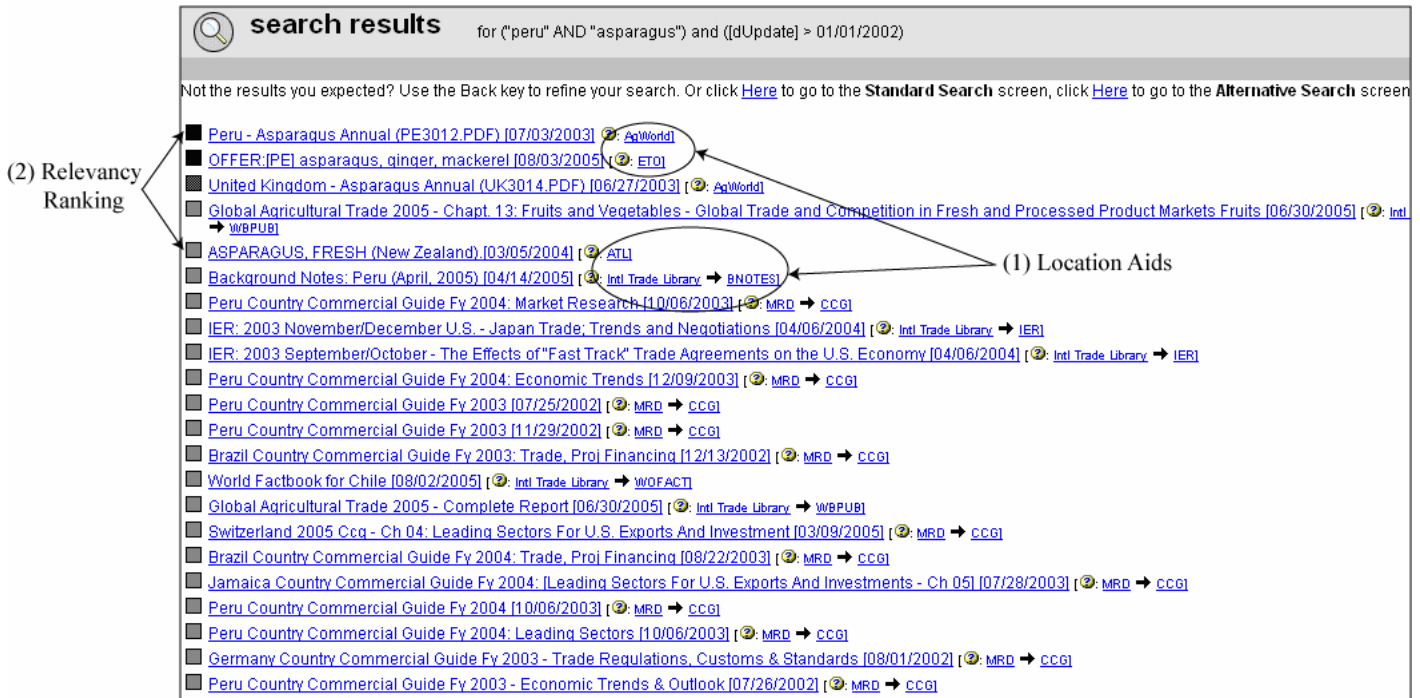
The screenshot shows the 'State of the Nation' website header with the date 'August 30, 2005 Edition'. Below the header is a navigation toolbar with links like 'Home', 'State of the Nation', 'SOTN Library', 'GLOBUS & NTDB', 'Recent Files', 'Site Search', 'Site Map', 'Other Products', 'Email', and 'Help'. The main content area is divided into sections: 'HOT Releases for Tuesday, August 30 *', 'Daily Releases *', and 'Economic News'. The 'HOT Releases' section lists items like 'Consumer Confidence [CC200508.DOC]', 'Manufacturer's Shipments, Inventories, and Orders [S-I.O.PDF]', and 'FOMC Minutes [FOMC200508.DOC]'. Each item has a small icon (an ellipse) next to it. A callout '(1) Ellipses' points to this icon. The 'Daily Releases' section lists items like 'State and Local Government Bond Rates [CURRENT.SLG]', 'Foreign Exchange Rates 10am Midpoints [TENFX.FRB]', and 'Daily Treasury Statement [CURRENT.DTS]'. The 'Economic News' section has a date of 08/26/2005 and a title 'Statement of FRB Chairman, Alan Greenspan'. Below the main content is a box titled 'Today's most recently-added SOTN files (These open in their own windows)' with a list of recent files and their dates.

(2) Filetype

Navigation Tips

- A **toolbar** (see note 1 in *Figure 5.2a*) is available at the top of each page within the various databases on STAT-USA/Internet. The toolbar is green in SOTN and orange in NTDB. This toolbar provides links to other databases and features.
- **Expand/Collapse Lists +/-**. (see note 2 in *Figure 5.2a*)
Plus and minus signs are used throughout STAT-USA/Internet to expand or collapse lists. Simply click on the “+” to expand a category and “-” to collapse it.
- **Sorting** (see note 3 in *Figure 5.2a*)
Many databases in STAT-USA/Internet have sorting capabilities. When available, click the sorting feature to sort a view in ascending order, and again to reverse.
- **Ellipses (. .)** (see note 1 in *Figure 5.2b*)
Ellipses are found directly following HOT Releases on the SOTN front page. Clicking on an ellipse directs users to related releases in the SOTN Library.

Figure 5.2c: Various features of STAT-USA/Internet



- **Location Aids** 📍

Location Aids provide brief descriptions of the various files, databases, and country information housed on STAT-USA/Internet. They are found directly following the document title on any search results screen (see note 1 in *Figure 5.2c*) and before the page title that appears above SOTN and NTDB toolbars (see note 6 in *Figure 5.2a*). Additionally, location aids follow document titles and country groupings in Documents Added Recently, Market Research Reports (MRD), the ITL, and the SOTN Library. Clicking on one of the acronyms following the Location Aid icon activates a pop-up window describing that file's content. You can also use Location Aids from your search results screen to see where documents are located on our site. Small, black arrows are used to indicate that a file is located within the SOTN Library, MRD, or the ITL.

Searching

- STAT-USA/Internet provides two options for **site searching** (see note 4 in *Figure 5.2a*) – **Standard Search** and **Alternative Search**, both of which allow exclusion searches. For most users, Standard Search is all they will ever need. One distinction between these searches is that Alternative Search is more intuitive for Boolean fans. Additionally, a **QuickSearch option** is available feature to expedite searches within a given database (see note 5 in *Figure 5.2a*).
- The gray-shaded boxes in the left column of STAT-USA/Internet’s search results list depict **relevancy ranking** (see note 2 in *Figure 5.2c*) – the darker the gray, the more relevant the document. To find the actual relevancy percentage, hover your mouse over the box and a small box with the related number will appear.


Frequently Asked Questions

- **I don’t understand the notation listed under “STAT-USA/Internet Sources” following the *Experiential Exercises*, can you explain this to me?** Good question! These acronyms are intended to help you navigate STAT-USA/Internet’s various databases and get to the information you need in short order. Starting from STAT-USA/Internet’s home page (<http://www.stat-usa.gov>), you will be directed to enter either State of the Nation (SOTN) or the National Trade Data Bank (NTDB) databases. SOTN contains an additional database, called the SOTN Library. Likewise, within the NTDB, there are additional databases, namely Market Research Reports (MRD) and the International Trade Library (ITL). You can link to MRD by clicking on any of the reports listed under “Market and Country Research” on the main NTDB page (Note: Country Background Notes and AgWorld Attache Reports are not part of MRD, although

they are listed in this section of the NTDB home page). Descriptions of the destination files and reports are detailed later in this chapter.

- **You mention specific Country Commercial Guide sections in the *Experiential Exercises*. However, when I try to access these, the chapter titles are listed for some countries and not others. Am I in the right section? Is there a reason why the chapters aren't labeled for every country? Or at the very least, is there a reason why the chapter numbers aren't consistent for the same sections (e.g. Chapter Eight – Investment Climate)?** While the Country Commercial Guides generally follow the consistent naming convention outlined in the *Experiential Exercises*, unfortunately, the elimination of the “quality control” unit due to interagency changes at the source agency, has created a few gaffes. STAT-USA works with these agencies to maintain a consistent titling format as we become aware of discrepancies. We also correct inconsistencies in the titles on our own as we discover them. Most reports are posted through an automated procedure and we do not have the resources to make an exhaustive review – so some problems slip through.
- **What file formats are available via STAT-USA/Internet?** The information contained on STAT-USA/Internet is available in a variety of **file formats** (see note 2 in *Figure 5.2b*) including: ASCII, PDF, Self-extracting, Spreadsheet (Excel or Lotus1-2-3), Text, Word, WordPerfect, and ZIP. Some, but not all, files are available in more than one of these formats. Where relevant, click on the “**Filetype:**” prompt for more information.
- **How long are files retained in STAT-USA/Internet databases?** The **archiving** of materials on STAT-USA/Internet is done on a subjective basis, primarily by date (generally for a maximum of three years) and popularity. In the NTDB, you can broaden

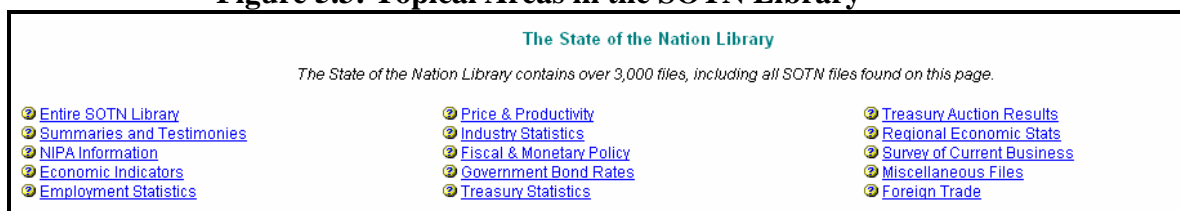
your search to include archived materials by toggling the Browse Location view in the MRD database to “by Date Posted All,” “by Industry All,” “by Country All,” or “by Fiscal Year All.” For older materials, please contact the source agency.

- **Your site says there are hundreds of International Market Insight reports, yet when I open the view, I only see a fraction of these listed. Where are they?** They are all there; you just have to click the  links at the top-right and bottom-right corners of your screen to continue reading through the entries.

State of the Nation

SOTN contains over 3,000 files of current and historic domestic economic and financial information from various federal agencies. Highlights from daily releases and the Top 50 most popular files are identified on the SOTN home page, while the complete collection of SOTN files is located in the SOTN Library. *Figure 5.3* shows the topical areas found in the SOTN Library, followed by brief overviews of these areas.

Figure 5.3: Topical Areas in the SOTN Library



- **Summaries and Testimonies:** Contains speeches and miscellaneous information from federal officials.
- **NIPA Information:** Contains National Income and Product Account (NIPA) statistics, such as Gross Domestic Product and personal income from the Bureau of Economic Analysis.

- **Economic Indicators:** Contains current and historical general economic indicators, such as monthly Retail Sales and Shipments, Inventories and Orders compiled by the Economics and Statistics Administration.
- **Employment Statistics:** Contains current and historical statistics on employment and unemployment, such as the Employment Situation released by the Bureau of Labor Statistics.
- **Price and Productivity Statistics:** Contains price statistics used to track inflation/deflation and the rise of wages, such as the Producer/Consumer Price Index compiled by the Bureau of Labor Statistics.
- **Industry Statistics:** Contains industry related information, such as the Current Industrial Survey reports from the Census Bureau or the Federal Reserve Board.
- **Fiscal and Monetary Policy:** Contains releases, such as the Selected U.S. Interest Rates, Treasury Quotations, and Treasury Yield Curve released by the Federal Reserve Board and the Treasury Department.
- **Government Bond Rates:** Contains the State and Local Government Bond Rates, from the Treasury Department.
- **Daily Treasury Statements:** Contains the Treasury Bulletin and daily and monthly Treasury Statements from the Treasury Department.
- **Treasury Auction Results:** Contains current and historical Treasury Auction Results.
- **Regional Economic Statistics:** Contains releases from the Bureau of Economic Analysis on regional statistics and releases, such as the Gross State Product and Personal Income and Earnings.

National Trade Data Bank

The NTDB provides current and historical trade-related news releases, international market research, trade opportunities, and country analyses. Materials are provided by federal agencies and select nonfederal sources. See below for descriptions of popular NTDB files and databases:

- **Today's Global Business Opportunity Leads:** This section contains a collection of leads from both official federal and nonfederal sources identifying new markets and potential international partners.
 - **Agricultural Trade Leads (ATL):** This source contains information on foreign buyers seeking U.S. food, agricultural, and forest products. Individual leads include detailed contact information, product specifics and quantities needed, package and label requirements, type of quote required, and bank of reference.
 - **Commercial Trade Leads (CTL) and Trade Opportunity Program (TOP):** The Trade Opportunity Program was discontinued by the U.S. & Foreign and Commercial Service (USFCS) in 2002, but STAT-USA continued to carry other leads from USFCS which we labeled TOP leads. Currently, we carry public trade leads from the USFCS on our Website as CTLs. Since they have a common source, we have combined CTLs and TOPs into one database. Gathered by U.S. embassies around the world, these leads include requests for manufactured goods, services, representation, investment, joint-ventures, and licensing from both private companies and foreign governments.
 - **Defense Logistics Agency Leads (DLA):** This source lists contracting opportunities to provide supplies and services to America's military forces worldwide.

Commercial vendors may perform comprehensive and detailed searches against Request for Quotation and Award documents.

- **FedBizOpps Leads (FedBizOpps, previously Commerce Business Daily):** This source lists Federal Government procurement opportunities over \$25,000.

Commercial vendors seeking federal markets for their products and services can search, monitor, and retrieve opportunities solicited by the entire federal contracting community.

- **International Market Insight Reports (IMI):** This source provides short profiles of specific foreign market conditions or opportunities for U.S. companies interested in doing business overseas. Prepared by both private and public sources within a particular country, IMIs provide information on a dynamic aspect of a particular market. For example, they may focus on specific projects, industry profiles, finance and marketing trends, regulation and import changes, trade show opportunities, or government policy updates.

- **United Nations Trade Leads (ETO, Electronic Trading Opportunities):** This source contains leads (both demands for buyers and offers for sellers) for small and medium-sized enterprises originating from over 150 trade points around the world.

- **Current Exchange Rates:** This section contains daily, weekly (H.10), monthly (G.5), and annual (G.5A) rates of exchange of major currencies against the U.S. dollar. Note: These files are also found in SOTN.

- **Market Research Reports (MRD):** This database contains reports covering a wide range of information needed by exporters, including best-selling markets, market access, top imports, demographic information, trade barriers, market size, market characteristics,

competitive analysis, market outlook, economic trends, trade events, government regulations, and in-country trade contracts. MRD can be accessed through all the programs listed under “Market and Country Research” on the main NTDB page, except Country Background Notes and AgWorld Attache Reports. Note: International Market Insight Reports are defined above in the Global Business Opportunities section.

- **Best Market Reports (BMR):** These reports include every industry sector cited as a best export prospect in the Country Commercial Guides. Sectors are designated as “Best Prospects” based on near-term growth potential and market receptivity to additional U.S. suppliers. The USFCS no longer produces BMRs, however, due to continued customer demand, we house the most current reports available on our site.
- **Country Commercial Guides (CCG):** These reports profile the political, economic, and commercial environment of foreign countries. More specifically, CCGs look at market conditions, economic situations, political environment, best export sectors, trade regulations, investment incentives, finance techniques, upcoming trade events, marketing strategies, services for exporters, and business travel tips for nearly 150 countries.
- **Global Agriculture Information Network (GAIN) Agworld Attache Reports (AgWorld):** These reports provide information on agricultural production, trade trends, foreign legislation and regulations, and trade policies affecting U.S. agricultural trade.
- **Industry Sector Analysis (ISA):** This source provides in-depth profiles of a specific industry subsector within a country, including analysis of market opportunities, end-users, competitors, market access, distribution channels, market barriers, and

- financing options. Industry Sector Analysis reports also list several best sales prospects, trade promotion opportunities, and in-country contacts.
- **Multilateral Development Bank (MDB):** MDB briefs provide details on projects in developing markets that may be of interest to U.S. businesses and consultants.
 - **Contacts:** This section consists of the NTDB Global Trade Directory and the National Export Directory, which enable users to register their company online, search for international partners, research the competition, and locate trade-related officials working in their state.
 - **Foreign Trade Offices (FTO):** This section provides contact information for foreign and domestic trade offices that assist exporters with a wealth of international trade information, ranging from travel tips to the latest economic news.
 - **National Export Directory (NED):** NED provides contact information for local export support offices across the United States, Puerto Rico, and the Virgin Islands.
 - **NTDB Global Trade Directory (GTD):** The Directory contains detailed information on products, services, and industries offered by local, regional, national, and global companies. In fact, it includes much of the same contact information once available in the Foreign Traders' Index and Export Yellow Pages. Customers can join the nearly one million companies from over 165 countries already listed on this database by registering their own company information online.
 - **International Trade Library (ITL):** Contains over 4,000 documents from a variety of federal agencies that provide new-to-market exporters with a wealth of procurement-, commodity-, industry-, country-, and region-specific information, in addition to general

trade overviews and “How To” guides. As shown in *Figure 5.4*, you can toggle between ITL programs using the drop-down box at the top of the page.

Figure 5.4: Programs in the International Trade Library



- **Aerospace Industry: Directories and Reports (AERO):** These reports contain the latest aerospace trade leads, policy news, and trade events from the Office of Aerospace in the Commerce Department.
- **Afghani Reports (AFGHAN):** Produced by a Task Force in the Commerce Department with support from the U.S. Embassy in Kabul, other U.S. government agencies, and international organizations, these reports include information on the latest developments and opportunities in Afghanistan.
- **Army Area Handbooks (ARMAN):** Prepared by the Library of Congress and sponsored by the Army, these detailed country studies look at the interrelationships of

- a particular country's political, economic, national security, and social systems with special attention to the beliefs and values of the people who make up the society.
- **Asian Development Bank Business Opportunities (ADBBO):** This source provides information on the requirements for goods, works, and services of projects under consideration by the Asian Development Bank.
 - **Asian Development Bank Selected Publications (ADB):** Includes key reports and publications on economics, environment, social, and other important sectors in the Asian and Pacific Regions produced by the Asian Development Bank.
 - **Basic Guide To Exporting (GUIDE):** This publication, compiled by the Commerce Department's Trade Information Center (TIC), helps U.S. firms develop successful exporting strategies by directing them to information and assistance sources throughout the federal and state government, as well as sources in private industry.
 - **BISNIS Bulletin (Newly Independent States) (BISBUL):** This source provides articles on Eurasian market developments, business practices, regulatory environment, financing, and related trade events. Key markets covered include Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russia Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.
 - **Country Analysis Briefs (CABS):** Provided by the Energy Department, this source contains information and discussion about the economy, energy sector, and environment of over 100 countries worldwide.
 - **Country Background Notes (BNOTES):** This source contains facts on the land, people, history, government, political conditions, economy, and international

- relations of each country with which the United States has relations, as submitted by regional bureaus of the State Department.
- **Country Reports on Economic Policy and Trade Practices (ECOPOL):** These reports provide a single, comparative analysis of the economic policies and trade practices of countries with whom the United States has significant economic or trade relationships. The State Department stopped producing them in fall 2002; our site houses the most current reports available.
 - **Electric Current Abroad (ELECT):** To assist U.S. manufacturers, exporters, and individuals living or traveling abroad, this publication lists the characteristics of electric current available and the type of attachment plugs used in most countries.
 - **European Bank's Procurement Opportunities (EBPO):** This source contains procurement notices for contractors, job-seekers, co-financiers, consultants, and nongovernmental organizations interested in central and eastern European market opportunities, as provided by the European Bank for Reconstruction and Development.
 - **Export America (BAM):** Export America is a monthly publication from the Commerce Department aimed at helping American companies sell their products overseas. Each issue includes trade leads, marketing advice, export tips, descriptions of U.S. trade programs, status of trade negotiations, country trade outlooks, and worldwide trade opportunities.
 - **Export Programs Guide (EPG):** This comprehensive export resource, compiled by the TIC, provides a listing of all federal programs that aid U.S. companies in exporting their goods and services around the world.

- **Fish and Fishery Product Annual Reports (FISHAN):** This source includes various annual reports produced by the National Oceanic and Atmospheric Administration (NOAA), such as Fisheries of the U.S. and the Foreign Trade Report, which provide economic statistics related to the fish and fishery products industries.
- **Fish and Fishery Product Quarterly Reports (FISHQT):** These reports provide quarterly summaries of import and export trade in fish and fishery products compiled by NOAA.
- **Foreign Assets Control Information (FACI):** This resource contains information from the Treasury Department's Office of Foreign Assets Control which informs U.S. companies about the rules and regulations surrounding various economic sanctions against targeted hostile foreign countries.
- **Foreign Labor Trends (FLT):** These annual reports from the Labor Department describe and analyze labor trends in more than 70 countries.
- **Foreign Spot Exchange Rates (EXRATE):** Updated monthly, this resource contains historical spot exchange rates for 31 foreign countries based on averages of certified noon buying rates in New York for cable transfers.
- **Foreign Trade Offices (FTO):** This section provides contact information for foreign and domestic trade offices that assist exporters with a wealth of international trade information, ranging from travel tips to the latest economic news.
- **Inter-American Development Bank Projects (IADB):** This source lists country-specific projects in Latin America and the Caribbean, approved by the Inter-American Development Bank.

- **International Economic Review (IER):** This monthly staff publication from the Office of Economics in the U.S. International Trade Commission (USITC) informs the Commission of significant developments in international economics and trade and provides policy makers with technical information and advice on international trade matters.
- **International Energy Annual (IEA):** This report, compiled by the Energy Department, presents information and trends on world energy production and consumption for petroleum, natural gas, coal, and electricity, as well as prices for selected crude oils and refined petroleum products in selected countries.
- **International Energy Outlook (IEO):** This report presents an assessment by the Energy Information Administration in the Energy Department of the outlook for international energy markets through 2025.
- **International Narcotics Control Strategy Report (NARC):** Compiled by the State Department in consultation with other agencies, this source provides an assessment of drug production and trafficking in over 130 countries.
- **International Petroleum Monthly (IPM):** Produced by the Energy Information Administration in the U.S. Department of Energy, this source provides current data on international oil production, demand, imports, and stocks.
- **Iraq Reports (IRAQ):** Produced by a Task Force in the Commerce Department, this section contains useful information for U.S. companies participating in the economic rebuilding of Iraq.
- **Iraq Tenders (IRAQTN):** This source provides trade leads from the Iraq Investment and Reconstruction Task Force office in the U.S. International Trade Administration.

- **National Trade Estimates on Foreign Trade Barriers (NTE):** This source provides an inventory of trade barriers or distortions affecting goods, services, investment, and intellectual property rights of major U.S. trading partners.
- **Patterns of Global Terrorism (TERROR):** Released annually by the State Department, this source provides region-specific terrorism overviews as well as a chronology of significant terrorist incidents, information on terrorist groups, and related statistical and economic information.
- **The Year in Trade (YEARIN):** Released annually by the USITC, this source provides a comprehensive overview of the major trade-related activities of the United States.
- **Trade Policy Agenda and Annual Report (TPA):** Prepared annually by the U.S. Trade Representative, this source provides an inventory of trade barriers or distortions affecting goods, services, investment, and intellectual property rights of major U.S. trading partners.
- **World Bank Commodity Price Data (PinkSheets) (PINK):** This source provides summarized monthly commodity price data from the World Bank.
- **World Bank International Business Opportunities Service (BUSOPP):** This source provides information on projects supported by World Bank loans or credits. Companies, academic institutions, non-governmental organizations, and individuals from World Bank member countries are eligible to compete for these business opportunities.
- **World Bank Publications (WBPUB):** This section contains annual economic and financial overviews from the World Bank which discuss increasing growth and

- accelerating poverty reduction, as well as focus on recent trends in and prospects for financial flows to developing countries.
- **World FactBook (WOFACT):** This source provides an overview of a country's geography, people, government, economy, communication and transportation systems, military, and any transitional issues. World FactBooks are prepared by the Central Intelligence Agency (CIA), with information from various government agencies.
 - **World FactBook Comparative Fields (WOFCMP):** This source is provided by the CIA and presents all of the relevant information on a particular field of interest across countries. The comparative field listings in this section range from a country's economic indicators and government structure to its ethnic composition and demography. In addition, within country rank orderings of these fields are also provided where applicable.
 - **World FactBook Comparative Tables (WOFTAB):** Provided by the CIA, these tables allow for comparative analysis by presenting rank-ordered information on the geography, people, government, economy, communication and transportation systems, military, and any transitional issues of all countries in the World FactBook.

USA Trade Online

Provided in partnership by STAT-USA, the Foreign Trade Division of the Census Bureau, and Beyond 20/20, USA Trade[®] Online (<http://www.usatradeonline.gov> - see Figure 5.5) is the official source for U.S. merchandise trade data, offering current and cumulative data on more than 18,000 export commodities and 24,000 import commodities traded between the United States and all its trading partners. Commodities are classified by the Harmonized System (HS) codes, which are defined on the two-, four-, six-, and ten-digit levels in the United States. Additionally, quantity and customs districts detail are available. You'll also find annual data from 1992 and monthly data since 2002. The "Selection Criteria" section in Step 4 below details these various types of data (called "dimensions").

Figure 5.5: The USA Trade Online home page

Home

Log-In Now

Account Maintenance Renew Here!

Subscribe Now!

What is USA Trade Online

What's New?

Free Demo!

How to Contact Us

Privacy Policy

Accessibility

2004 Schedule of Releases

2005 Schedule of Releases

FAQ

Other Information

Powered by

Beyond 20/20

On time... On demand... Online.

USA Trade[®] Online

Show me the trade data! [click here](#)

You have not logged in yet today. [Click here to login to USA Trade Online now!](#)
[Click here to access the trade data.](#)

USA Trade[®] Online

Offering the most U.S. Foreign Trade Data *a.s.a.p.*!

Version 2.3 of the USA Trade Online software is now the production version. It provides a lot of enhanced capabilities. [Click here for more information about the new version.](#)

Need time to adjust to the new system? USA Trade Online's user interface was changed February 1. Lots of new features and capabilities were introduced. Some customers, however, need some more time to make the transition to the new system. [Click here for the old version of USA Trade Online.](#) We understand that it will take our users some time to learn the intricacies of our new system. We will keep the old site up for a limited time.

If you want the most accurate and timely U.S. Merchandise Trade data, straight from the source, you have come to the right place! Now you can find out what's being shipped where.

STAT-USA and the Foreign Trade Division of the U.S. Census Bureau are pleased to bring you USA Trade Online, where you can find specific U.S. export and import information on more than 18,000 commodities world wide, 24 hours a day, seven days a week! We are committed to delivering accessible foreign market intelligence that will keep you on the leading edge of your competition.

NOTE: Some of the features on this site are enabled using **pop-ups**. (None of these are for advertising purposes.) If your browser blocks them from the site, you might encounter problems. [See this item for information on pop-up blockers.](#)

USA Trade Online is brought to you by:

STAT-USA and Foreign Trade Division U.S. Census Bureau

Note: USA Trade *Online* covers merchandise trade only. Merchandise trade is defined as goods, including physical items such as automobiles, steel, food, clothing, appliances, and furniture. It does not include services or balance of payment adjustments.

It is easy for first-time and novice users to become overwhelmed by USA Trade *Online*'s massive databases of merchandise trade data, not to mention the variety of options available to help analyze the data. The remainder of this chapter lays out the USA Trade *Online* basics and carries you through five easy steps to mastering merchandise trade data:

- **Step 1: Select your data** (see “Data Source Selection” for more information).
- **Step 2: Choose the commodity or commodities under study** (see “Commodity Selection” for more information).
- **Step 3: View your report!** (click “View Report” as shown in note 1 of *Figure 5.8*).
- **Step 4: Determine your data dimensions** (see “Selection Criteria” for more information).
- **Step 5: Tweak the various reporting features and options** (see “Report Features” and “Report Options” for more information).

Note: STAT-USA welcomes feedback from its users. Questions, comments, and service inquiries should be directed to STAT-USA's Customer Service Center via phone at 1-800-STAT-USA (or 202-482-1986) and via e-mail at statmail@esa.doc.gov.

Coming Soon! Expanded online help at <http://www.usatradeonline.gov/help>!

Step 1 – Data Source Selection

The Data Source Selection screen (see *Figure 5.6*) is your first stop after choosing “Click here to access the trade data” from USA Trade *Online*’s homepage. This is where you select an initial **report type** (see note 1 in *Figure 5.6*). Although there are a number of formats listed (eight for imports and eight for exports), you aren’t bound to the default settings of a particular table. Using your Selection Criteria and other Report Features (more on these below), you can manipulate the rows and columns to create your desired table format.

Figure 5.6: The Data Source Selection screen on USA Trade *Online*



A word of caution: you can’t switch to exports (merchandise going out of the United States to foreign countries) if you initially select one of the import tables (arrivals of merchandise to the United States from foreign countries) or vice versa. First, figure out whether you want to look at imports or exports and then take a guess at the table format you want. We

recommend beginners select one of the Standard Report (Monthly, Annual, or Cumulative Year-to-Date or “YTD”)⁶⁰ options, and test the additional formats (which have pre-selected data dimensions) when you’re more acclimated with the site.

As previously mentioned, all reports in the same folder (imports or exports) take you to the same database; only the default settings change. See below for a brief description detailing the default settings of each report type.

- **Standard Report – Monthly Imports/Exports**

View the value and quantity for a commodity (or commodities) for the five most current months. The results can be sorted by value (as well as by quantity at the ten-digit level) and regenerated by commodity, country, customs district area, measure, and/or time options using the Selection Criteria listed on the left side of the screen.

- **Standard Report – Annual**

View the value and quantity for a commodity (or commodities) for the four most current years and current YTD. The results can be sorted by value (as well as by quantity at the ten-digit level) and regenerated by commodity, country, customs district area, measure, and/or time options using the Selection Criteria listed on the left side of the screen.

- **Standard Report – Cumulative YTD**

View the value and quantity for a commodity (or commodities) for the most recent YTD aggregation and the three prior years’ YTD aggregations, as well as the growth rate between the oldest and newest YTD totals. The results can be sorted by value (as well as by quantity at the ten-digit level) and regenerated by commodity, country, customs district area, measure, and/or time options using the Selection Criteria listed on the left side of the screen.



- **Trade by Commodity**

Use this report to show U.S. imports or exports of any of the over 18,000 commodities over time in a specific market. In the default view, you will view the value, quantity, and unit price for all commodities in all markets for the most recent and previous month, current and previous YTD aggregates, and four previous years (current year is excluded), as well as comparable month, comparable YTD, and four-year percent changes. The results can be regenerated by commodity, country, customs district area, measure, and/or time options using the Selection Criteria listed on the left side of your report screen.

- **Commodity Market Ranking**

This popular report is used to determine the top markets for a commodity. You choose the commodity (or commodities) you want to analyze and the system automatically returns the level value, as well as country comparison data for the most recent and previous month, current and previous YTD aggregates, and four previous years (current year is excluded). The results are shown sorted in descending order based on the value of the most recent month, but can easily be sorted by the other time periods or growth rates available. You can also use the Selection Criteria and Report Features to further specify the information you need.

- **Analyzing at the ten-digit HS level?** If so, take note of the following shortcut:

You can use the small arrows   above your Commodity Market Ranking report to toggle your view between the three available measurement options (value, quantity, and unit price).

- **Commodity Profile**



View the value, quantity, and unit price of a particular commodity (or commodities) by country for the most recent month, current YTD, and previous YTD. The results are automatically sorted in descending order by value for the most recent month, but can easily be sorted by the various time periods or growth rates available. Note: Quantity and unit price detail are only available at the ten-digit HS level.

- **Commodity Time Series**

This report provides a four-year annual history of the value, quantity, and unit price for a commodity (or commodities) by country. The results are automatically sorted in descending order by value for the previous year, but can easily be sorted by any of the three previous years. Note: Quantity and unit price detail are only available at the ten-digit HS level.

- **Country by Commodity**

Used to analyze value changes over time of a specific commodity and country. The results can be sorted by value and quantity for the most current month, cumulative data for the current calendar year, and cumulative data for the previous year's corresponding timeframe.

- **Analyzing at the ten-digit HS level?** If so, take note of the following shortcut:
You can use the small arrows   above your Country by Commodity report to toggle your view between the three available measurement options (value, quantity, and unit price).

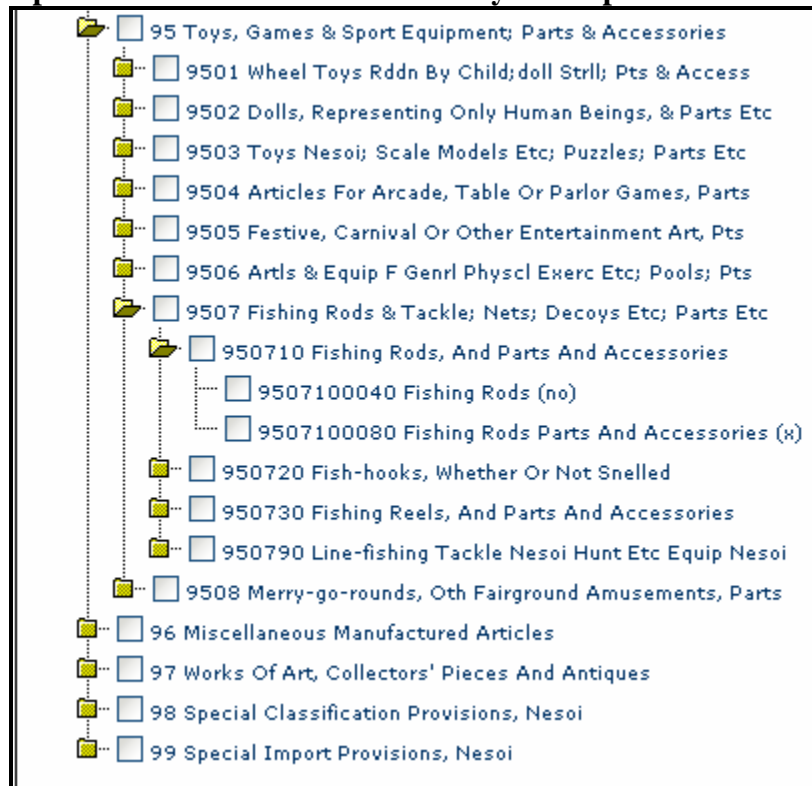
Step 2 – Commodity Selection

The Commodity Selection screen allows you to pinpoint the merchandise you want to analyze. USA Trade *Online* is a full-text searchable database that uses natural-query language.

Therefore, quotes around phrases and Boolean operators should not be used. In addition to typing in a word or phrase describing your desired commodity, you can enter a product's HS code directly into the search engine.

The United States defines imports and exports differently at the ten-digit level. The Census Bureau administers export codes (also known as Schedule B) while the USITC administers import codes (called the Harmonized Tariff Schedule of the United States of America). These codes are part of the Harmonized Commodity Description and Coding System established in 1989 (commonly referred to as Harmonized System or "HS" codes) and are hierarchically arranged, from a two- to ten-digit level, increasing in detail with level. For example, let's say you're interested in fishing rods. As shown in *Figure 5.7*, data on fishing rods is found in Chapter 95 ("Toys, Games & Sport Equipment; Parts & Accessories"). Drilling down through the four- and six-digit levels, you will eventually find specific information on fishing rods only:

Figure 5.7: Example of the Harmonized Commodity Description and Coding System



The HS nomenclature used to classify both imports and exports can be unexpected at times, typically a result of a product’s unique history. For example, the machines we have come to know as personal computers were originally classified in Chapter 84 (“Nuclear Reactors, Boilers, Machinery Etc.; Parts”). Fortunately, Census Bureau Commodity Specialists are available at 301-763-3041 to help you find the classification information you need to perform your research. See the commodity section under Selection Criteria below for more information.

Step 3 – View Report

Once all commodity selections have been made, click **View Report** (see note 1 in *Figure 5.8*) in the upper-left corner of your screen – and voila – a table will appear! It’s that easy.

Figure 5.8: The Commodity Selection screen on USA Trade *Online*



USA Trade *Online* is extremely user-friendly, but it can't read your mind (yet!). Chances are you won't see exactly what you're looking for right away. You will need to determine the data dimensions you want (see the section on Selection Criteria below) and play around with different charting and graphing options (more on this in the Reporting Features and Reporting Options sections) to complete your analysis.

Note: Online help related to commodity selection is available at <http://www.census.gov/foreign-trade/reference/codes/index.html>, including information on converting the North American Industrial Classification System and Standard Industrial Classification codes to HS codes. You can also contact the Electronic Products Division directly at 301-763-2311 for additional support.

Step 4 - Selection Criteria

The Beyond 20/20 software, Vista 2.3, powering USA Trade *Online* presents data in spreadsheet format, much like what you see in *Figure 5.9*. Here's the exciting part: *YOU* determine what type of data (called "dimensions") populates the rows and columns.

Figure 5.9: Various features of USA Trade Online

The screenshot displays the 'Standard Report - Monthly Imports' interface. On the left, there are two main sections: 'Options' and 'Selection'. The 'Options' section includes: View Chart, Save, Printable Version, Download, Calculate, Suppress, and Exception Highlighting. The 'Selection' section includes: Commodity, Country, District, Measures, and Time, each with a checkmark. Three callouts are present: (1) 'Selection Criteria' points to the 'Selection' section; (2) 'Report Features' points to the 'Value' column header in the table; (3) 'Report Options' points to the 'Options' section. The main table shows data for 'All Commodities' from June 2005 to February 2005. The table has columns for Time (June 2005, May 2005, April 2005, March 2005, February 2005) and Measures (Value). The 'Country' column lists various countries, with 'World Total' at the top. Each cell in the table contains a numerical value and a small icon for sorting or filtering.

Commodity	All Commodities				
Time	June 2005	May 2005	April 2005	March 2005	February 2005
Measures	Value	Value	Value	Value	Value
Country	↑ ↓ [icon]	↑ ↓ [icon]	↑ ↓ [icon]	↑ ↓ [icon]	↑ ↓ [icon]
World Total	141,939,587,465	135,542,289,445	135,134,317,610	135,355,256,275	122,751,727,787
Afghanistan	1,274,128	2,330,042	1,693,690	419,512	878,621
Albania	830,333	28,065,614	805,946	529,423	556,263
Algeria	979,463,912	764,288,730	712,182,734	609,952,830	689,484,491
Andorra	248,066	3,022	38,512	42,680	105,187
Angola	501,312,339	493,330,539	711,654,255	817,226,992	414,054,123
Anguilla	191,951	70,958	34,959	10,742	177,802
Antigua and Barbuda	250,904	497,730	289,309	618,010	152,982
Argentina	350,657,474	346,466,629	412,447,226	336,550,515	316,836,257
Armenia	2,733,609	5,899,192	2,545,883	3,468,072	2,279,250

After you've viewed an initial report, you can start playing around with selecting the different dimensions – commodity, country, district, measure, and time (see note 1 in *Figure 5.9*) – until your research objectives have been met. Information on each dimension is detailed below:

Commodities

- Whether you want to analyze one commodity or several, there are multiple ways to go about your task. As shown in *Figure 5.8*, you can select commodities using the **search function** (see note 2), by drilling down through the **expandable list of HS Codes** (see note 3) until you find what you want, or by using the various options for **selecting multiple commodities** (see note 4). For example, if you want to view all commodities on the two-digit level, check the box to the right of “2 digits” (this works for the four-, six-, and ten-digit levels as well). For data on all commodities, do not enter a commodity code. Instead, click the box next to “Select all.” Likewise, you can clear previous selections by clicking the button next to “Clear all.”

- The “All Commodities” option represents the sum of all merchandise trade for either import or export commodities, depending on which report type you chose on the Data Source Selection screen.
- While viewing a report, you can click on the hyperlinked commodity description to increase the commodity detail.

Countries

- With the exception of Commodity Market Ranking, Commodity Profile and Commodity Time Series reports, which pre-select each individual country but not the world total, your report will include all countries *and* world total. Therefore, you may want to use this option to specify the market(s) you are interested in. After clearing the default selections (by clicking the button next to “Clear all,”) you can either manually select as many or as few trading partners as you wish or use the various country selection options.
- Countries (around 240 are defined) are listed on USA Trade *Online* according to their official name. For example, “Germany” is listed as “Federal Republic of Germany.” A search for “Germany” would highlight this, however looking through the list alphabetically would not.

Districts

- A district is an area within the United States comprised of several ports in the same general location. For example, the Los Angeles district includes the ports of Los Angeles, Long Beach, Los Angeles International Airport, El Segundo, Las Vegas, etc. Importantly, a district is not specific to a state and ports from different states can be in the same district. Notice in the above example that Las Vegas, Nevada is included in the Los Angeles district. You cannot extrapolate state-level information under this dimension.

- USA Trade *Online* does not automatically include district detail in any of the report types. You must add this information by either manually selecting the district(s) of interest or using any of the district selection options (e.g. “Selection method” and “Level”).
- In addition to the roughly 42 custom districts, you can also use this dimension to view data on low-value shipments and ships/vessels that leave/enter the United States under their own power, such as exported or imported cruise ships (select “Shipments Individually” and “Vessels Own Power,” respectively).

Measures

- Depending on the report type you selected on the Data Source Selection screen, you will see a combination of the available measures, namely value, quantity and unit price. Importantly, value data are provided at all digit levels, but quantity and unit price values are only provided at the ten-digit level. If the default options do not fit your research needs, you can select and/or deselect the default options.
- Abbreviations for units of quantity are included in parenthesis following the commodity description at the ten-digit level on your commodity selection screen. See *Table 5.1* for a description of these abbreviations.

Table 5.1: Merchandise Trade Quantity Units

Abbreviations	Definitions
BBL	Barrels
CAR	Carat
CKG	Content Kilogram
CM2	Square Centimeters
CGM	Content Gram
CTN	Content Metric Ton
CYK	Clean Yield Kilogram
DOZ	Dozen
DPC	Dozen Pieces
DPR	Dozen Pair

Abbreviations	Definitions
DS	Doses
FBM	Fiber Meter
GBQ	Gigabecquerels
GCN	Gross Containers
GM	Gram
GRL	Gross Lines
GRS	Gross
HUN	Hundreds
JWL	Jewel
KG	Kilogram
KM3	Cubic Kilometers
KTS	Kilogram Total Sugars
L	Liters
LNM	Linear Meters
M	Meters
M2	Square Meters
M3	Cubic Meters
MBQ	Megabecquerels
MWH	Megawatt Hours
NO	Number
ODE	Ozone Depletion Equivalent
PCS	Pieces
PFL	Proof Liter
PK	Pack
PRS	Pairs
SQ	Square
T	Metric Tons
THM	Thousand Meters
THS	Thousand
X	No First Unit of Qty

Time

- Although the default time settings vary from one report type to another, users can easily manipulate the defaults to fit their research objections.
- There are two options in the time dimension: “Standard Selection” and “Advanced Selection.” When changing from Advanced to Standard Selection, make sure to use the “Clear All Selections” button first.





- Standard Selection follows the format laid out in the other dimensions, allowing users to make selections manually or using the time selection options (e.g. “Selection method” and “Level”). Additionally, users can elect to have time data shown in reverse order. This means that your time data will appear along your x-axis with the most recent to the right of the previous month – a useful tool when graphing or charting market trends over time.
- Advanced Selection offers the same capabilities; it just approaches it in a slightly different manner and raises the bar by including base/previous period and lag options. Additionally, under Advanced Selection, you can add in YTD aggregations and growth rates. A word of caution when using the advanced selection options – don’t forget to save your work (there’s a “Save Selection” button beneath the time selection details) before viewing the results!

Step 5 – Report Features and Report Options

Once you’ve gone about selecting your report type and detailing your data dimensions, you can use the following **Report Features** (see note 2 in *Figure 5.9*) to manipulate and better organize your data:

- **Drag and Drop.** In the upper-left corner of your report, you’ll see header labels in gray boxes. For example, in *Figure 5.9*, “Commodity,” “Time,” and “Measures” (value) are in the columns, and the “Country” dimension populates the rows. You can manipulate these tables by dragging and dropping the different dimensions. To move a header to a different location in Internet Explorer, you left-click the header you want to move and drag it over the header that you want to switch places with, before finally releasing. The header being “replaced” should turn yellow before you release it in order for this to

work. Note: If necessary, call 1-800-STAT-USA for help doing this with browsers other than Internet Explorer.

- **Sorting.** Any column in a report can be sorted by clicking on one of the small arrows at the top of the column. The down arrow  will sort your data in descending order (from highest to lowest) and the up arrow  will do the opposite (from lowest to highest). It is important to note that the system only sorts according to the dimension directly adjacent to the data cells.
- **Rank Ordering.** Rank ordering  takes sorting one step further by displaying an actual rank (numerical form in ascending order) to the values in a particular column. Unlike sorting, however, this option only appears when there is one dimension header making up the reports' rows.
- **Top/Bottom Reduction.** Imagine you are trying to find the top ten trading partners of the United States. Instead of going back to your country dimension and manually deselecting the countries coming in at 11 or above, you could use your top/bottom reduction option  to select the top ten values. Likewise you can choose to look at upper- and lower-tier values by percent and sum. For example, you can view only entries accounting for 10 million dollars or more or only those countries accounting for 10 percent or more of the total value.

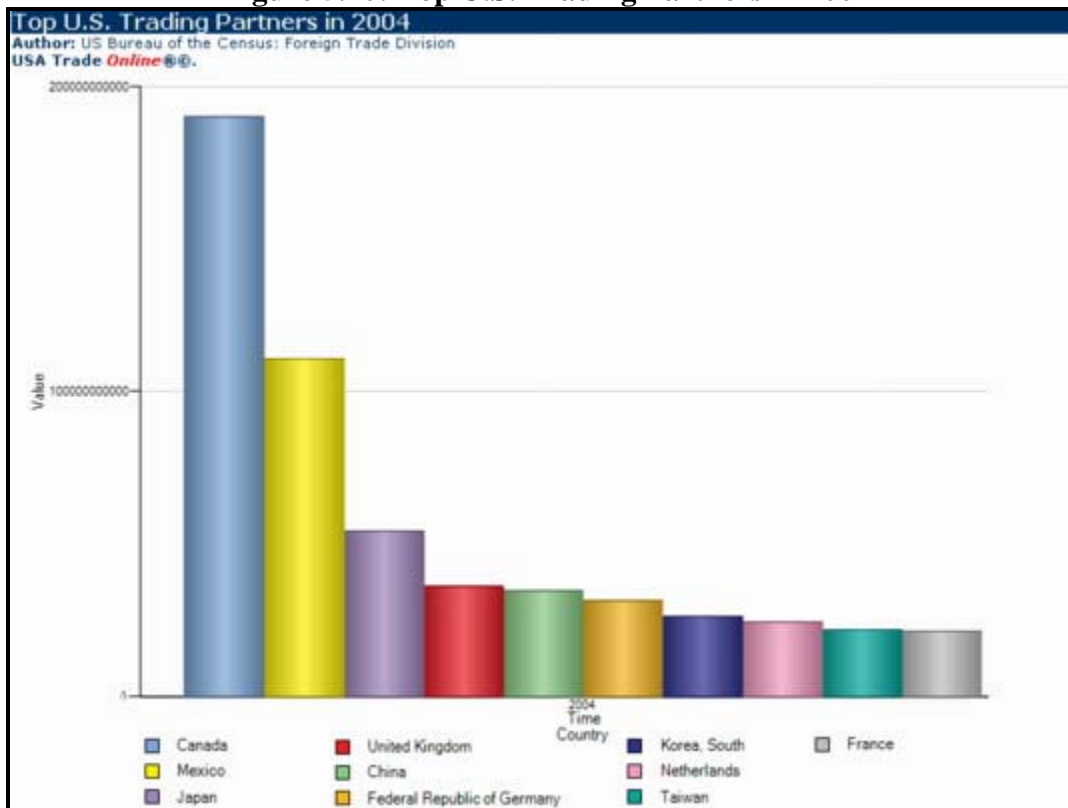
Report Options

Finally, you can use your **Report Options** (see note 3 in *Figure 5.9*) to make your report more visually appealing. Report Options include making a chart, saving your report, previewing a report for print, downloading reports into other formats, making calculations, suppressing

empty cells, and highlighting data points of interest. Highlights of some of these options are discussed below:

- **View Chart.** The chart option provides a visual representation of the data, making it easier for the user to recognize trade trends and market share. Data can be represented in 12 different types of charts, including pie and line graphs. The trick to mastering this feature is to familiarize yourself with the organization of the user interface. A good rule of thumb is to remember that the categories adjacent to the data cells will be illustrated in your chart. For example, if the Time dimension goes along the top of the report and the Countries dimension falls along the side of the report, then the graph will place countries on the y-axis and time on the x-axis. *Figure 5.10* is an example of a Column chart created in USA Trade *Online*.

Figure 5.10: Top U.S. Trading Partners in 2004



- **Save Change Title and Notes.** Reports can be saved for future reference. These reports are saved for a given account under the **My Reports** (see note 6 in *Figure 5.6*) tab found on the top navigation bar. These are designed to be re-executed when new data is released, for example at the monthly update. They generate the same report as the initial one (prior to saving), but with the new data. Users on shared systems should be aware that saved reports are not be grouped by individual user. A running list of reports for all users from the same username/password appears under the My Reports tab.
- **Download.** Information from the various report types can also be downloaded into a variety of formats to a user's storage media. Reports can be downloaded in Microsoft Excel (.xls) or Delimited Text (.csv) formats.

Frequently Asked Questions

- **How current are the data on USA Trade *Online*?** The data on USA Trade *Online* are updated the same day the information is released by the Census Bureau. Generally, the data is released about 40 days behind the reference month. A schedule of data release dates is available from the USA Trade *Online* home page.
- **How do people use USA Trade *Online*?** USA Trade *Online* allows users to conduct price comparisons, market penetration studies, foreign competition studies, new market research, time series analysis, and more.
- **I have made all my commodity selections, but can't get a "report" to show up. Where is the "Go" button?** The "View Report" link has replaced the "Go" button (from an earlier USA Trade *Online* user interface). It is found in the upper-left corner on most screens.

- **When I use the calculate percentages command under Report Options, the values seem to be half of what they should be. How do I fix this?** When someone wants to calculate shares of all countries for a particular commodity but keeps World Total selected in the Country Selection screen, all the shares for the separate countries will be half of what they should be, with World Total showing a share of 50 percent. This occurs because the value for World Total by definition is equal to the sum of the values for all countries (we'd be in real trouble if it wasn't!). To avoid this problem, make sure that when you are calculating your percentage shares, you deselect World Total (unless of course this action is desired based on your research question or questions).

Experiential Exercises

The following materials are designed to enhance the learning experience and to help students become familiar with using a variety of research sources for the further understanding of international marketing.

Following each exercise, you'll find a series of notations intended to help you navigate STAT-USA/Internet's various databases. Starting from STAT-USA/Internet's home page (<http://www.stat-usa.gov>), you will be directed to enter either State of the Nation (SOTN) or the National Trade Data Bank (NTDB). SOTN contains an additional database, called the SOTN Library. Likewise, within the NTDB, there are additional databases, namely Market Research Reports (MRD) and the International Trade Library (ITL). You can link to MRD by clicking on any of the reports listed under the "Market and Country Research" heading on the main NTDB page (Note: Country Background Notes and AgWorld Attache Reports are not part of MRD, although they are listed in this section of the NTDB). Descriptions of the destination files and reports are detailed in *Chapter Five*, and you can also find a list of abbreviations and acronyms in the *Appendix*.

- Exercise One: Consider Electronic Books for Export?
- Exercise Two: Other "Economics" Behind E-Book Markets
- Exercise Three: Telecommunications Can Be Lucrative
- Exercise Four: Distribution Channels are Important to Export Success
- Exercise Five: Consider Geographic Factors for Wheelchairs
- Exercise Six: Practice Your *Swing* – Identifying Export Market Trends and Market Penetration for Golf Accessories
- Exercise Seven: Religion can Help... or Hinder

- Exercise Eight: “Just Say YES”... to Asparagus!
- Exercise Nine: Where’s the Beef?
- Exercise Ten: Need Help with Your Foreign Business Venture? Try Uncle Sam!
- Exercise Eleven: International Buyers... One Click Away
- Exercise Twelve: All This Over One Cow?
- Exercise Thirteen: The Language of International Business
- Exercise Fourteen: Widening the Information Highway
- Exercise Fifteen: Accessibility and Literacy
- Exercise Sixteen: Using Assistive Technology at the Speed of Life
- Exercise Seventeen: Voice Recognition Technology and VoIP

Exercise One: Consider Electronic Books for Export?

The structure of a country's population can have a major effect on the outcome of a firm's international marketing effort. For example, the composition of age groups affects how technologies for reading and printing should be employed. An aging population, especially one with excess leisure time, could create favorable conditions for marketing electronic books (e-books) or other technologies that support large-print reading options. Assume your company wants to export large print, screen versions of e-books to aid the leisure reading activities of wealthy retired people. Although there are many related questions ripe for research, we will focus here on questions related to demographics. Which countries have high proportions of aging people? What is the state of communications and technology in these countries?

Use STAT-USA/Internet's NTDB to identify five potential markets for large print e-books based on the following list of demographic factors:

- Overall Population and Age Distribution
- Growth Patterns, such as Birth, Death, and Net Migration Rates
- Gender by Age Group
- Internet Users as a Percentage of the Population

STAT-USA/Internet Sources: Country Background Notes (Home > NTDB > BNOTES or Home > NTDB > ITL > BNOTES), **World FactBook** (Home > NTDB > ITL > WOFACT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), and **World FactBook Comparative Tables** (Home > NTDB > ITL > WOFTAB).

Exercise Two: Other “Economics” Behind E-Book Markets

In order to determine which market or markets should be considered for your product or service, it is important to understand the economic position of different countries. With more than 225 countries to choose from, business managers need a broad scan of credible and up-to-date economic information in order to make informed decisions. Using the countries selected above in Exercise One as potential markets for large print electronic books, consider the following key economic variables.

For starters, it is important to look at both total and per capita GDP. After all, it would be difficult to sell electronic books to the masses if the country’s wealth is concentrated, leaving the majority without disposable income. The presence of excessive national trade debt could force a country’s exports up and imports down in order to meet interest payments. You will also want to explore the country’s buying power compared to others by looking at the exchange rate – how does their currency compare to the U.S. dollar? What is the country’s employment situation? If unemployment in a country is high, it may be more favorable for second-hand book sales rather than large print e-books. And finally, it is important to check inflation – the rate at which prices rise and fall – which impacts the ability of consumers to buy.

Use STAT-USA/Internet’s NTDB to create tables comparing potential markets and use these to reach a final decision about your new export market.

- Gross Domestic Product
 - Total GDP
 - GDP Growth Rate
 - Per Capita GDP
 - Distribution of Wealth (among the population)
 - Dependence of Income (on a particular industry, for example, oil)
- The Debt Situation
 - Foreign Trade Deficit/Current Accounts
 - Exchange Rate Stability
- The Employment Situation
- Inflation

STAT-USA/Internet Sources: Country Background Notes (Home > NTDB > BNOTES or Home > NTDB > ITL > BNOTES), **Country Commercial Guides, Section II** (Home > NTDB > MRD > CCG), **Foreign Labor Trends Reports, Select Countries** (Home > NTDB > ITL > FLT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), **World FactBook** (Home > NTDB > ITL > WOFACT), and **World FactBook Comparative Tables** (Home > NTDB > ITL > WOFTAB).

Exercise Three: Telecommunications Can Be Lucrative

Changes in international markets can open up business opportunities for U.S. companies. Assume, for example, your small business exports telecommunications equipment. Your company already has established international markets, but would like to broaden its base by investing in new markets. Where to start? One place is to watch for state-owned telecommunication monopolies in the process of opening up to private industry, both domestically and internationally. The careful business executive will also want to investigate the potential market's foreign direct investment environment.

Use STAT-USA's NTDB to explore both state-owned monopoly changes and the environment for foreign direct investment. Provide a list of three countries you recommend keeping an eye on for either current or future investment.

STAT-USA/Internet Sources: Country Commercial Guides, Section VII (Home > NTDB > MRD > CCG), **International Market Insight Reports by Industry All** (Home > NTDB > MRD > IM I > Browse Location by Industry All > Information and Communication), **Industry Sector Analysis Reports by Industry All** (Home > NTDB > MRD > ISA > Browse Location by Industry All > Information and Communication), **World FactBook** (Home > NTDB > ITL > WOFACT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), and **World FactBook Comparative Tables** (Home > NTDB > ITL > WOFTAB).

Exercise Four: Distribution Channels are Important to Export Success

You work for a small-to-medium sized business specializing in health technologies. Historically, your company has focused almost entirely on the U.S. market. You have recently learned that international demand for hearing aids – one of the products you manage at work – has picked up. After performing an in-depth analysis of potential markets and presenting them to your boss, she has asked you to find out more about the distribution channels in Argentina, Singapore, and Turkey. What is the primary method of distribution (direct exporting, appointing a sales agent on a commission basis, hiring an export management company to represent the product, joint venture, etc.)? How will the product be sold (chain stores, independent retailers, specialty stores, etc.) and marketed? What transportation methods are available? Consider the degree to which the answers to these questions are conducive to your product.

Use STAT-USA/Internet to find answers to the questions posed above for these select markets. Based on your research, decide which is the most favorable market for hearing aids in terms of distribution channels. Finally, prepare a brief memo for your boss justifying your selection and detailing your distribution plan for this market.

STAT-USA/Internet Sources: Country Commercial Guides (Home > NTDB > MRD > CCG), **International Market Insight Reports by Country All** (Home > NTDB > MRD > IMI > Browse Location by Country All > Argentina/Singapore/Turkey), **International Market Insight Reports by Industry All** (Home > NTDB > MRD > IMI > Browse Location by Industry All > Health Technologies), **Industry Sector Analysis Reports by Country All** (Home > NTDB > MRD > ISA > Browse Location by Country All > Argentina/Singapore/Turkey), **Industry Sector Analysis Reports by Industry All** (Home > NTDB > MRD > ISA > Browse Location by Industry All > Health Technologies).

Exercise Five: Consider Geographic Factors for Wheelchairs

You have been assigned to a new product area by the assistive technologies firm for which you work. More specifically, you are now in charge of rehabilitation equipment, such as wheelchairs. Your boss has asked you to bring him a list of qualified trade leads for wheelchairs. He goes on to stress the importance of a country's geology when considering new wheelchair markets. Where is the country located? Do both the host country and bordering countries show signs of significant wheelchair usage? Is the country's terrain conducive to the movement of wheelchairs?

First, search the various trade lead databases found on STAT-USA/Internet to compile your list of credible leads. Then, research the geographical environment of these areas as they relate to wheelchair use and distribution. Finally, using the information you have gathered, prepare a brief presentation that details these findings for your boss.

STAT-USA/Internet Sources: Site Search (Home > Site Search or <http://www.stat-usa.gov/search>), **United Nations Trade Leads** (Home > NTDB > Current and Historic Trade Leads > ETO), **World FactBook** (Home > NTDB > ITL > WOFACT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), and **World FactBook Comparative Tables** (Home > NTDB > ITL > WOFTAB).

Exercise Six: Practice Your Swing – Identifying Export Market Trends and Market Penetration for Golf Accessories

U.S. firms can capitalize on market shifts by identifying foreign market trends and opportunities. When attempting to identify foreign market trends and opportunities, it is necessary to first find out where particular products or services are selling well or not so well by analyzing the export performance of a variety of products in a number of countries. By doing so, you will be able to determine overall trends and changes in targeted foreign markets by particular product or service categories. Eventually, as you will discover in subsequent Exercises, you will want to look at more country-specific information, such as trade regulations, trade leads, and other micro-level data.

Using USA Trade *Online*, show cyclical changes in U.S. exports of golf clubs, as well as golf balls and accessories. What would you expect exports of golf-related products to look like during the coldest winter months compared to in the middle of the summer? Which countries are the top importers of American-made golf clubs and why might this be the case? Show how the observed trends differ in countries where the climate remains relatively constant year round (Mexico, for example)?

USA Trade *Online* Tips:

- **Recommended Report Options** > Standard Report – Monthly Exports and Standard Report – Annual Exports
- **HS Codes of Interest** > Golf Clubs (950631), Golf Balls (950632), Golf Equipment ex Clubs & Balls; Parts And Accessories (950639)
- **Call STAT-USA’s Customer Service at 1-800-STAT-USA with questions!**

Though beyond the scope of this Exercise, additional information to guide your research on emerging markets for golf-related products can be found in the following **STAT-USA/Internet Sources: International Market Insight Reports by Industry All** (Home > NTDB > MRD > IMI > Browse Location by Industry All > Consumer Goods and Home Furnishings), **Industry Sector Analysis Reports by Industry All** (Home > NTDB > MRD > ISA > Browse Location by Industry All > Consumer Goods and Home Furnishings), and **STAT-USA Site Search** (Home > Site Search or <http://www.stat-usa.gov/search>).

Exercise Seven: Religion can Help... or Hinder

Religion has an impact on international marketing that is seen in a culture's values and attitudes toward entrepreneurship, consumption, and social organization. The impact will vary depending on the strength of the dominant religious tenets. Whereas religion's impact may be quite indirect in Protestant Northern Europe, its impact in countries where Islamic fundamentalism is on the rise may be profound. Take, for example, the role of women in business in the Middle East, where women are not able to function as they would in the West. You can imagine the effects of this cultural norm – a firm may be limited in its use of female managers or personnel in these areas, and women's role as consumers and influencers in the consumption process will need to be accounted for. The recognition of different world religions – Christianity, Islam, Hinduism, Judaism, etc. – leads to the practice of unique customs and traditions in different countries. As you begin to establish relationships with international partners, you will want to give some consideration to giving culturally sensitive gifts during holidays.

In previous Exercises you have highlighted potential markets for your products and services. Now you can do the background research necessary to facilitate positive relationship building you're your new friends and partners. Use STAT-USA/Internet's various market research databases to discover at least one nationally recognized holiday in each of the countries you've researched to date. Next, build a table which not only highlights whether or not gift giving is appropriate, but also details what types of gifts are recommended and which are to be avoided.

STAT-USA/Internet Sources: **Army Area Handbooks** (Home > NTDB > ITL > ARMAN), **Country Commercial Guides** (Home > NTDB > MRD > CCG), **Country Background Notes** (Home > NTDB > BNOTES or Home > NTDB > ITL > BNOTES), **World FactBook** (Home > NTDB > ITL > WOFACT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), and **World FactBook Comparative Tables** (Home > NTDB > ITL > WOFTAB).

Exercise Eight: “Just Say YES”... to Asparagus!

To succeed in a market, the international marketer needs much more than business know-how. He/she must also understand the intricacies and potential impacts of domestic and national and international politics and laws. There are numerous examples of the linkage between politics and international lawmaking. Most of us are aware of various governmental initiatives aimed at decreasing drug usage, from the “Just Say No” campaign and aggressive pursuit of Central and South American drug cartels to stricter penalties for drug dealers and users alike. One lesser-known tool in the government’s “war on drugs” arsenal is a policy called alternative development aid. The United States enacted such a policy with Peru in 1990, granting year-round subsidies to Peruvian farmers interested in growing asparagus. The rationale behind this policy was to create an incentive for cultivating crops other than coca plants (from which cocaine is derived).

Imagine you are a U.S. asparagus grower trying to come up with a creative way to avoid lost revenues due to the subsidy to Peruvian asparagus growers (which has caused the price of imported asparagus to plummet). First, using USA Trade *Online*, show the impact of this policy on the U.S. fresh/chilled asparagus industry (i.e., what has happened to asparagus exports from the United States?). Also, show asparagus imports from Peru. Do these graphs reflect what you would expect given the explanation above – why or why not? Next, use STAT-USA/Internet to explain how U.S. exporters of fresh/chilled asparagus successfully circumvented the potential drop in exports at the hands of increasing imports of Peruvian asparagus. Finally, recreate the graphs from the original step, only this time looking at canned (or preserved) asparagus. Is there a difference in how this policy affected the fresh/chilled sector versus the prepared sector? Given your knowledge of globalization, why do you think this is?

USA Trade *Online* Tips:

- **Recommended Report Options** > Standard Reports – Annual Imports and Standard Reports – Annual Exports
- **HS Codes of Interest** > Asparagus - Fresh or Chilled (070920), Asparagus - Prepared or Preserved NESOI (200560)
- Sorting by growth rate is a very useful tool in USA Trade *Online*. To show growth rates on your report, go to the Time dimension and edit the current time setting (default is monthly). Down at the bottom you will see a drop box labeled “Display.” This can be set to Value, Growth Rates, or Value and Growth Rates.

STAT-USA/Internet Sources: Industry Sector Analysis Reports (Home > NTDB > MRD > ISA > Browse Reports by Country > Peru), **International Market Insight Reports** (Home > NTDB > MRD > IMI > Browse Reports by Country > Peru), **Global Agriculture Information Network (GAIN) AgWorld Attaché Reports** (Home > NTDB > AgWorld > GAIN > Current by Country > Peru), and **STAT-USA Site Search** (Home > Site Search or <http://www.stat-usa.gov/search>). **Recommended Keywords:** Peru, asparagus.

Exercise Nine: Where's the Beef?

When considering an international business venture, it is important to understand the laws and economic issues affecting the business climate. Evidence of a government's commitment to dismantling quotas, tariffs, and other trade barriers can help build the case for entering a new market. Take NAFTA, for example, which removed trade barriers between Canada, Mexico, and the United States, effective January 1, 1994. This agreement was part of a larger effort to consolidate these countries into a single integrated free trade market. Yet, U.S. beef exports to Mexico decreased in 1995, the year following NAFTA's inception. Coinciding with this drop in beef exports from the United States, live cattle imports from Mexico increased dramatically. These events provide a good case study for investigating economic and legal factors at play in international markets.

- Using the market research reports available on **STAT-USA/Internet**, explain three key **economic factors** at play in the poor performance of U.S. beef at this time.
- Next, using **USA Trade Online**, show what these trends have looked like since 1995. What two legal agreements, other than NAFTA, were behind the marked increase in U.S. imports of Mexican live cattle?

USA Trade Online Tips:

- **Recommended Report Options** > Standard Report – Annual Exports and Standard Report – Annual Imports
- **HS Codes of Interest** > Bovine Animals, Live (0102) and Meat of Bovine Animals, Fresh Or Chilled (0201)

STAT-USA Sources: Global Agriculture Information Network (GAIN) AgWorld Attaché Reports (Home > NTDB > AgWorld > GAIN > Current by Country > Mexico).

Exercise Ten: Need Help with Your Foreign Business Venture? Try Uncle Sam!

As an exporting international marketer, you must also develop a comprehensive and cohesive communications strategy. Fortunately, you have an arsenal of tools to choose from, two of the most basic are (1) mass selling through business and trade journals, direct mail, the Internet, trade shows, and missions, and (2) personal selling, which brings you face-to-face with your target customer. Companies planning on long-term involvement in a particular country/product arena often find trade shows a useful way to strategically use several key promotion strategies.

One way to discover which trade fairs are appropriate for your product or service is to work with U.S. government representatives, both here at home in local Export Assistance Centers and abroad in U.S. Embassies and Consulates. You can also research trade fairs and related promotion events on your own with STAT-USA's market research database. Using STAT-USA/Internet, list the name, date, and location of both recent and upcoming trade fairs related to assistive technologies.

STAT-USA Sources: Country Commercial Guides, Section XIII (Home > NTDB > MRD > CCG), **Site Search** (Home > Site Search or <http://www.stat-usa.gov/search>).

Exercise Eleven: International Buyers... One Click Away

As you learned in the accompanying text, historically, a firm with a competitive edge could count on being the sole supplier to international markets for years to come. Today, however, a compilation of factors – from technological advances and global alliances to changing international rule of law, among other factors – has fundamentally changed the buyer-supplier relationship. To keep pace with the new, streamlined face of business, you will need to become familiar with finding interested buyers for your product and/or service in the international marketplace. As you learned on your tour of STAT-USA there are a variety of private and governmental supports to facilitate these relationships. In addition to finding the contact information of potential buyers and sellers the NTDB Global Trade Directory (GTD).

This Exercise gives you the opportunity to move from the initial market screening and assessment of market potential stages towards making the actual sale (see *Figure 2.1*). Using the various trade lead databases housed on STAT-USA/Internet, find five to ten potential buyers and sellers for one of the products on which you performed preliminary market research. Next, find the contact information of domestic, as well as international, U.S. government contacts available to support your exporting venture.

STAT-USA/Internet Sources: Agricultural Trade Leads (Home > NTDB > Current and Historic Trade Leads > ATL), **Country Commercial Guides, Section IX** (Home > NTDB > MRD > CCG), **Defense Logistical Agency Leads** (Home > NTDB > Current and Historic Trade Leads > DLA), **FedBizOpps** (Home > NTDB > Current and Historic Trade Leads > FedBizOpps), **Foreign Trade Offices** (Home > NTDB > Contacts > Foreign Trade Offices), **National Export Directory** (Home > NTDB > Contacts > NED), **Site Search** (Home > Site Search or <http://www.stat-usa.gov/search>), **United Nations Trade Leads** (Home > NTDB > Current and Historic Trade Leads > ETO).

Exercise Twelve: All This Over One Cow?

All too often, decisions to enter foreign markets are made based on perceived familiarity with a “favorite” country, recent travel to the country, existence of colleagues or contacts in or from the country and/or an overall subjective assessment of the situation. Research conducted, if at all, is often not as rigorous, intensive or quantitative as that on domestic activities. New-to-market exporters are reluctant to engage in international research due to perceived lack of familiarity with national and international data sources, and uncertainty about identifying differences in consumer preferences, culture, and market trends.

As you have learned throughout this text, the seemingly overwhelming task of international market research become quite easy when one employs the appropriate tools. Researchers can quickly determine where a particular product is being exported to or imported from in order to determine whether a product or service is amply available in a particular market or not being sold at all. Likewise, researchers can observe the micro and macro impacts of natural events and policy changes on trade patterns. Exporters and importers who recognize these trends will be able to react quickly and appropriately, ultimately gaining a distinct competitive advantage.

Case Study:

Bovine Spongiform Encephalopathy (BSE), better known as mad cow disease, is a degenerative disease, which affects the central nervous system of cattle. BSE causes dementia in cattle (hence the term “mad cow disease”) because it essentially eats away at their brain tissue, eventually causing death.

First identified in Britain in 1985, BSE is a relatively new disease. It made big news in the mid-1990s when more than 100,000 infected cows were discovered throughout Europe. The contagious nature of the disease combined with its potential lethality in humans has led to many beef and cattle import restrictions along with strict containment procedures (in many European countries, an entire herd must be slaughtered and incinerated if a “mad” cow is discovered).

On December 23, 2003, BSE was discovered in a dairy cow in Washington State, marking the first time the disease was identified domestically. Given Europe’s experience with BSE, how do you think this event affected U.S. beef exports? What do you think happened to U.S. beef prices? Using STAT-USA/Internet and USA Trade *Online* explain and show which countries reacted most negatively to this news? Interestingly, some countries reacted contrary to popular opinion. Why might this be the case? Which countries would you expect to react positively (in economic terms) to this news by “beefing” up imports of U.S. beef?

USA Trade *Online* Tips:

- **Recommended Report Options** > Standard Report – Monthly Exports and Standard Report – Annual Exports
- **HS Codes of Interest** > Meat of Bovine Animals, Fresh or Chilled (0201) and Meat of Bovine Animals, Frozen (0202)
- **Countries of Interest** > South Korea, Japan, Mexico, Taiwan, Poland, Nigeria, Honduras, and Bangladesh

- **Sorting by growth rate** (see *Exercise 8* for more details)

STAT-USA/Internet Sources: International Market Insight Reports (Home > NTDB > MRD > IMI), **Global Agriculture Information Network (GAIN) AgWorld Attaché Reports** (Home > NTDB > AgWorld > GAIN > All by Date > Late 2003 and Early 2004), and **STAT-USA Site Search** (Home > Site Search or <http://www.stat-usa.gov/search>.) **Recommended Keywords:** Mad, Cow, BSE.

Exercise Thirteen: The Language of International Business

While the international market provides immense export opportunities for U.S. companies, one of the greatest barriers for achieving success is the ability to communicate clearly with international markets. English has become the *franca lingua* of business, but a company's growing and sustainable success comes from its ability to localize language on materials including product labels, advertisements, and manuals. This localization strategy often requires extensive and expensive translations, especially if the original text is written in a complex style. Therefore, the adoption of a simplified style of writing, or "plain language" writing, can significantly reduce the cost of translation *and* better accommodate one of the fastest growing consumer markets, users of ESL.

To better understand the magnitude of languages that are spoken in international markets, use STAT-USA/Internet to answer the following questions:

- How many languages are spoken by at least 500,000 people in China, India, Poland, and Mexico? What are the names of these languages?
- Within each country, is there a clear distinction between the language spoken and geographic location?

STAT-USA/Internet Sources: World FactBook (Home > NTDB > ITL > WOFACT), **World FactBook Comparative Fields** (Home > NTDB > ITL > WOFCMP), and **Country Background Notes** (Home > NTDB > BNOTES or Home > NTDB > ITL > BNOTE).

Exercise Fourteen: Widening the Information Highway

As the exporting manager of an AT firm, you have been given the responsibility to identify viable markets for your company's newest product – online education software. Although the prospects seem endless at first, especially since education levels in emerging markets are low relative to those of developed countries, you realize that developing countries may also have poor technology infrastructure. In particular, countries with low-bandwidth environments, few Internet hosts, and a small number of Internet users, warrant special attention.

Use STAT-USA/Internet to find the level of Internet hosts, Internet users, and bandwidth for the following developing countries: Mexico, Poland, China, and Turkey. In addition, find the same information for developed countries including the United States, Japan, and Sweden and compare the statistics.

Finally, although some countries may currently have weak information technology infrastructures, heavy investments in that industry may be underway. Use STAT-USA/Internet to identify these investment trends. By recognizing these markets and investments early, your firm can anticipate export opportunities and create an invaluable first-mover's competitive advantage in the international market.

STAT-USA/Internet Sources: World FactBook Comparative Tables (Home > NTDB > ITL), **International Market Insight Reports by Industry All** (Home > NTDB > MRD > IMI > Browse Location by Industry All > Information and Communication), **Industry Sector Analysis Reports by Industry All** (Home > NTDB > MRD > IMI > Browse Location by Industry All > Information and Communication), and **International Telecommunication Union Digital Access Index** (<http://www.itu.int/ITU-D/ict/dai/>).

Exercise Fifteen: Accessibility and Literacy

Many AT products were designed initially to accommodate people with physical disabilities. The same technologies can also be immensely useful to a wider and more international market. For example, speech recognition technology was used originally to meet the needs of people with certain mobility disabilities. The same technology, however, can also be of value to consumers of low literacy.

Use STAT-USA/Internet to find literacy rates of the following countries: Mexico, Argentina, Turkey, India, and the Philippines. To a certain extent, literacy rates can be forecasted using current indicators such as the percentage of primary and secondary school enrollment and the country's compulsory level of education. Find these statistics in the STAT-USA/Internet database.

STAT-USA/Internet Sources: World FactBook (Home > NTDB > ITL), and **Country Background Notes** (Home > NTDB > MRD).

Exercise Sixteen: Using Assistive Technology at the Speed of Life

Your assistive technology firm is in the process of marketing its newest product: software for accessible human-computer interfaces. This technology was designed originally for use by people with learning disabilities. You, however, have realized that the same technology can simplify transactions on public-access terminals, such as ATMs. Specifically, the use of accessible human-computer interfaces in countries with high-density populations can reduce the time it takes to complete ATM transactions, shorten queues for servicing, and increase overall customer satisfaction.

Your task is to identify potential markets for the technology. Use STAT-USA/Internet to find the land area and the population statistics for the following countries: Mexico, China, India, Brazil, and Egypt. Next, use the information to calculate population density (defined as total population divided by total land area). How does the population density of these countries compare to those of developed countries such as the United States, Norway, and Japan?

STAT-USA/Internet Sources: World FactBook (Home > NTDB > ITL), and **Country Background Notes** (Home > NTDB > MRD).

Exercise Seventeen: Voice Recognition Technology and VoIP

You have been given a new assignment at the AT firm for which you work. Specifically, you are in charge of finding new market opportunities for your company's voice recognition software, a technology that allows for computer input by speech rather than keyboard strokes. Speech recognition technology was designed initially for individuals in the disability community. For example, voice recognition can help people with musculoskeletal disabilities caused by multiple sclerosis, cerebral palsy, or arthritis achieve maximum productivity on computers.

After preliminary research, you find that voice recognition software could provide tremendous benefits for the disability community *and* wider consumer market in countries with voice over IP (VoIP) infrastructure. VoIP allows individuals to make telephone calls to any regular phone number using a computer network. Coupling VoIP with voice recognition technology can open up two-way communication for individuals who are deaf or hard of hearing, as speech can be converted online into text and video sign language. In addition, VoIP and voice recognition can also provide the technology needed for biometric security. For instance, credit card users can authenticate online purchases by pronouncing – rather than typing – passwords in order to verify identity.

Your task now is to find countries that are currently or expecting to invest heavily in VoIP development. By distinguishing these markets now, you will be able to anticipate market needs and demands for voice recognition technology. STAT-USA/Internet documents including Industry Sector Analyses, International Market Insights, and Country Commercial Guides will provide invaluable information on market leads.

STAT-USA/Internet Sources: Country Commercial Guides, Leading Sectors for U.S. Exports and Investments (Home > NTDB > MRD), **International Market Insight** (Home > NTDB > MRD > IMI > Search for VoIP), **Industry Sector Analysis** (Home > NTDB > MRD > IMI > Search for VoIP).

Appendix: Abbreviations and Acronyms

This *Appendix* details the abbreviations and acronyms used throughout the *Companion*.

Abbreviation/Acronym	Description
AgWorld	AgWorld Attaché Reports
ARMAN	Army Area Handbooks
AT	Assistive Technology
ATIA	Assistive Technology Industry Association
ATL	Agricultural Trade Leads
ATM	Automated Teller Machine
B2B	Business-to-Business
B2C	Business-to-Customer
BNOTES	Country Background Notes
BSE	Bovine Spongiform Encephalopathy
CCG	Country Commercial Guides
CIA	Central Intelligence Agency
CTI	Cornet Technology Incorporated
DLA	Defense Logistical Agency Leads
E&IT	Electronic and Information Technology
ESL	English as a Second Language
ETO	United Nations Trade Leads
FDL	Federal Depository Library
FLT	Foreign Labor Trends
GDP	Gross Domestic Product
GIT	Georgia Institute of Technology
HS	Harmonized System
ICT	Information and Communications Technology
IMI	International Market Insight reports
ISA	Industry Sector Analysis reports
ITL	International Trade Library
ITTATC	Information Technology Technical Assistance and Training Center
MRD	Market Research Reports
NAFTA	North American Free Trade Agreement
NED	National Export Directory
NOAA	National Oceanic and Atmospheric Administration
NTDB	National Trade Data Bank
PDA	Personal Digital Assistant
PMD	People with Mobility Disabilities
RSVP	Rapid Serial Visual Presentation
SBIR	Small Business Innovation Research
SOTN	State of the Nation
TIC	Trade Information Center
USFCS	U.S. Foreign & Commercial Service
USITC	U.S. International Trade Commission
VEDP	Virginia Economic Development Program
VoIP	Voice Over IP

Abbreviation/Acronym	Description
WOFACT	World FactBook
WOFCMP	World FactBook Comparative Fields
WOFTAB	World FactBook Comparative Tables
YTD	Year-to-Date

End Notes

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