
Granada Research

Discovery Requirements in Global Merchandise Markets

**An Analytical Framework for Import Sourcing
and Export Marketing**



Executive Summary

- **Global merchandise trade is accelerating as the world economy integrates.**
In the last 30 years, the amount of international trade has skyrocketed from less than 10% to 29% of global output. In another 25 years, according to some economists, upwards of 80% of global output will be traded internationally.
- **The use of the Internet working together with print media for market-discovery will obviously be core to the future of global merchandise trade.** Potential trading partners, despite vast differences in geographies and time zones, can quickly determine the desirability of trade with the other using the Internet. Immeasurable savings – in time, money and effort – will be realized using the Internet.
- **Applying the Internet to market-discovery and trade functions has not been clear.** The specific trade objectives of importers and exporters must be mapped to the technical potentials of Internet software, services, and processes. This mapping provides the necessary foundation to make the Internet an effective and useful market-discovery platform for trade.
- **Importers' source-discovery objectives are to:** (1) identify the best-qualified suppliers for a specific product; (2) compare and evaluate suppliers, point by point, on product features and company capabilities; (3) access accurate and up-to-date information; and (4) search and find sources easily and quickly, using terminology and classifications that the buyer considers to be 'normal.'
- **Exporters' sales and marketing-discovery objectives are to:** (1) generate sales inquiries in order to capture new business and higher prices; (2) build presence and brand-recognition across a geographically dispersed community of buyers – including providing information to all sales and media channels – and rapidly launching marketing campaigns for new products; (3) place messages and sales collateral in front of buyers when they are ready to buy; and (4) monitor buyer, market, and competitive activities and trends.
- **Importers and exporters face significant challenges in electronically enabling themselves to take advantage of Internet-based discovery.** Exporters must electronically create and maintain their product and company profiles. Importers must gather and compile supplier content into a common, normalized format. The costs are high and the technical issues in each case are complex. Specialized software, expertise, and business processes must be set up. The vast majority of importers and exporters will require assistance in their respective product-content preparations.
- **Web marketplaces, exchanges and third-party services potentially offer an economical solution to both importers and exporters around product content management.** Service providers have inherent economies of scale that they can leverage. Individual market participants need not go to the expense of doing all content management in-house.