

Description of current market conditions in the new market



When we decide to enter a new market, a sufficient understanding of the current conditions of the new market is necessary. For our company, we mainly pay attention to following conditions. The first thing we should consider is about legal factors. Actually, China has a complete set of laws for foreign-invested enterprises (Huang, 2003). Therefore, as a foreign-invested enterprise, Fries Factory has already registered in Beijing Industrial and commercial administration bureau and defined the nature of this company and its business activities within the territory of China. Besides, after registered, its trademark can be legally used in China, as well as its copyrights.

Apart from that, Fries Factory also needs to pay attention to some Chinese laws, such as labor laws and consumerTM's interest protection law, to organize its daily operation and business activities. The second factor our company has taken into account is about culture. In food industry, cultural factors show a great influence in the market. Specifically, French fries are very common and popular food in west countries, but in China it would lose a lot of fans. In China, elder people may not be very interested in French fries while young people may show a great interest in it. WhatTM's more, in Chinese culture, French fries is not a kind of healthy food and it may also have a bad influence in our business. However, we can change this situation by advertising and improving the taste of our French fries to attract Chinese consumers, we could even try to combine our French fries and Chinese foods. With the trend of the reconciliation of East and West in China, Chinese people may also change their eating culture and habits and adopt to west foods.

Therefore, China is a promising market place to our company with a great potential. The most important factor is competition condition before we come into a new market. For our company, the main competitors in China are Mcdonalds and the KFC. These companies are very famous all over the world and both of them have a long business history in Chinese market. However, French fries is not their major product and they only supply the most common French fries without special taste. Therefore, compared with them, our company can supply more tastes and species of French fries and we also bring consumers a professional experience about French fries. According to a industrial analysis report, the demand of French fries in China has increased 12% per year, it means that even there are some competitors, China is still a promising market with a great number of demand. Last but not least, Chinese market is a great opportunity for our company when it comes to some economic factors.

Firstly, China has a lower cost in labor and product resources compared with Canada. Secondly, China has a great number of demand for French fries, and for now, there is none famous French fries company in China market.

Therefore, this is the best timing to expand our business to China.

Assessment of the new location In this part, a demographic profile of our typical consumers will be given, and according to this, we can design a marketing-entry questionnaire to get more detail information about the needs and wants of our consumers in the new location. The main demographic factors which should be focused are as follows. ? Age. In the existing market, our customer base are mainly between 8 to 18 years old. A customer survey of our company indicates that the other age bracket are

also show great interests in our products, although their purchase frequency are lower than the age group of 8 to 18.

Therefore, in the new market location, we still mainly focus on the people whose age are between 8 to 18. Besides, we also need to adjust our strategies according to the results of our marketing-entry questionnaire, in case that the consumer base of the new market is different from the existing market. ? Gender. In the existing market, both male and female consumers are highly interested in our products, so the gender may has little influence in the new market. ? Income. Our existing consumer base are from all income groups. However, due to the different income levels between different market, we still need to adjust our strategies according to the results of our marketing-entry questionnaire in the new market.

Reference [1] Huang, Y. (2003). One country, two systems: Foreign-invested enterprises and domestic firms in China. *China Economic Review*, 14(4), 404-416.