

THE **YOGO PLASTIK** CASE

Exporting Yogurt Containers

Mercadex's *Podium-Gallows Approach* allows the enterprise to prioritize its international product-market couples by assessing the different factors that determine market potential and the entry ticket (i.e. market entry difficulty). The application of this approach to Yogo Plastik follows below.

Yogo Plastik's Activities

Fabricating plastic yogurt containers for the food industry.

The Project

Exporting containers to yogurt producers in Italy and/or Spain.

Facing 2 product-market couples, Yogo Plastik must determine each couple's priority level in order to judiciously invest its resources (time and money) in an effective international business development campaign.

- 1- Yogo Plastik has, on the one hand, assessed the factors relating to each couple's market potential: a. market size, b. contribution margins, c. growth rate, d. longevity (expected life cycle) or duration of the business opportunity.
- 2- On the other hand, Yogo Plastik assessed the factors relating to each couple's entry ticket: a. costs (eg. product adaptation, transport, duties), b. risks (eg. credit, economic, currency, fiscal...), c. rivalry (number of competitors, market structure...), d. market conditions (eg. operations and distribution infrastructure, regulatory control...).

Rating Scales

Based on market data, Yogo Plastik attributed a score to each factor (on a scale of 1 to 10) and then converted them onto a semantic scale (large, average, nil) in order to use Mercadex's Podium-Gallows tool.

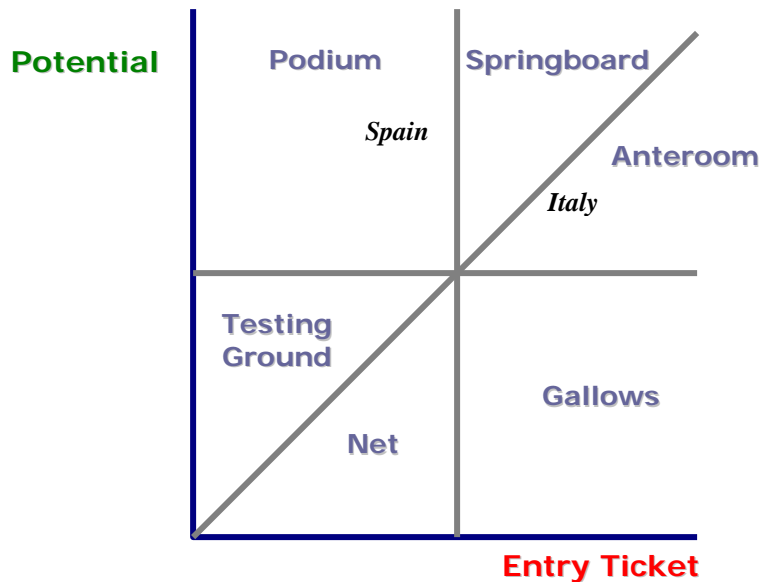
Export of containers to Italy

Potential (1 – 10)			Entry Ticket (1 – 10)		
Size	8	Large	Costs	3	Low
Margins	6	Average	Risks	8	High
Growth	4	Weak	Rivalry	8	Strong
Longevity	7	Average	Conditions	6	Average

Export of containers to Spain

Potential (1 – 10)			Entry Ticket (1 – 10)		
Size	6	Average	Costs	7	Average
Margins	8	High	Risks	6	Average
Growth	9	Very High	Rivalry	2	Very Weak
Longevity	8	High	Conditions	4	Slightly Constraining

Yogo Plastik : prioritizing the product-market couples



Findings and implications for Yogo Plastik

*Export of containers to Italy: **Anteroom***

- Potential: medium/high
- Entry Ticket: élevé
- Benefits expected in time: long term
- Necessitates discipline and the ability to quickly interrupt the project
- Zone: Interesting
- Closer to the gallows than to the podium.
- Strategic implication: reactive investment (opportunistic) for the prospecting and development of this product-market couple.

*Export of containers to Spain: **Podium***

- Potential: high
- Entry Ticket: low
- Benefits expected in time: short term to long term
- Strong competitive advantages
- Zone: Priority
- Strategic implication: proactive investment for the prospecting and development of this product-market couple.

For any questions or assistance in the prioritization of you international product-market couples, contact alacombe@mercadex.ca.