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Questions and Answers

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Question # 1

Free trade agreements often yield positive impacts in the countries. For instance, NAFTA had both positive and negative effects on the Canadian economy. However, the positive results outdid the negative ones hence, making it a good deal for Canada. Some of the reasons it was a good deal in the country include creating more jobs that absorbed thousands of Canadians who were jobless (Villarreal & Fergusson, 2019). Additionally, free trade facilitated foreign direct investment (FDI), which earned the country more income. The increased economic output in the country resulted from NAFTA agreements.

Consequently, the agreement with NAFTA resulted in the reduction of prices of goods. For instance, after removing trade barriers such as tariffs, Mexico's oil price reduced significantly (Villarreal, & Fergusson, 2019). The trade agreement also assisted Canada in managing government spending. Some of these expenditures increased inflation, resulting in complexities in the economy (Villarreal & Fergusson, 2019). Canada could, therefore, supply its goods in the member countries, increasing its competitiveness and lowering costs.

Question #2

There are various ways of market segmentation. Demographic, psychographic, behavioral and geographic are some ways of market segmentation (Keegan & Green, 2020). Geographic segmentation entails gathering a statistical of a particular group of people. The demographic segments include; age, gender, income, location, among others. The demographic information is essential for a company in knowing its target market. The psychographic presentation involves categorizing customers based on their personalities and characteristics, such as attitudes, lifestyles and interests (Keegan & Green, 2020). Behavioral segmentation focuses on the

customer's activities such as purchasing habits, user status and spending habits. When segmenting markets, one needs to critically analyze customers' needs which are not often static, their personalization in the future and developing suitable products for the customers given the behavioral and demographic information. Further, critically analyze past information about the market information using the internet as the source of information (Keegan & Green, 2020). Finally, one should consider the accessibility and flexibility of each segment for changes required in the future.

Question #3

While going global, there are essential factors to be considered. First, emphasizing the company or business values is necessary to maintain its essence in the international market. In this context, making everyone understands the importance of continuity in the market (Cateora et al., 2020). Additionally, the global market consists of people with different cultures and languages. Therefore, one should be aware of the cultures and languages to avoid messing with its brand and reputation.

Moreover, understanding the international market and trading culture is crucial. Another important consideration is the country's economic nature, such as the country's per capita income. The country's wealth foretells how the business will survive in terms of market structure. Lastly, political and legal factors are also important considerations. For instance, a country's laws, licensing and permit (Cateora et al., 2020). Observing these legal requirements enhances the smooth operation of the international market.

References

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