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Canadian Market Research

Canadian Market Forecasts

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It is important to understand where your market is heading. However finding information on the future can be a challenge. Most businesses will not be able to find published estimates for their particular market so you will have to determine your own. This does not mean your business outlook is simply your own wish list. You have to base your estimates on the best information available.

First of all, using the information you have already collected on your market make a list of factors that could effect purchasing patterns and market demand. Does your product or service rely on disposable income? If household incomes were squeezed by a downturn in economic activity would your market also be squeezed? Are population levels vital to future growth? Is economic confidence important to your particular service or will your business be in greater demand in uncertain times? Are foreign markets vital to you or your customers? Is foreign supply a key to your market's success? Can a new type of service easily replace your service? Is your proposed business a new type of service no one has considered before? What could influence its adoption?

To get a better idea of potential factors look at the "risk factors" section of current IPOs and annual reports. Go to the [new filings section of SEDAR](#) and click on New Annual

Research Tip

Compare Forecasts

If key variables related to your market are forecasted by a number of firms do not arbitrarily choose one figure.

Rather compare all that are relevant and talk to people in your industry / market to gain guidance

Use our [Forecasts Source List](#) to locate a variety of sources.

Reports or New Prospectuses. Both document types include issues and statistics that can negatively impact a business. Also look specifically at companies in your industry and market. If you are unsure of which companies are in your sector keyword search [Canada Newswire](#) or [CCN Matthews](#). Each corporate news release is accompanied by a brief description of the business and the industry and the market it is involved in. It is this part of the news release that you are searching for your keyword match.

Once you have a list of factors look at general economic outlook data. All the chartered banks in Canada produce economic outlook information at a national and provincial level. Most provide free access to it on their web sites. For example see: [Bank of Montreal](#), [Canadian Imperial Bank of Commerce](#), and [TD Canada Trust](#).

Bank of Montreal also produces [Prospects for Canada's Industries](#), which provides annual outlook data by industry sector.

Another source for forecast data is the [Quarterly Business Barometer](#) compiled by the Canadian Federation of Independent Business. Surveying more than 100,000 small and mid-sized enterprises (SMEs) nationwide, this index tracks quarterly 12-month business performance expectations. It includes details by region and major industry sector.

Annual reports and earnings statements can also provide insight into growth prospects. Look at all documents available from publicly traded companies in your sector. Earnings warnings can prove very insightful! Again look at the [SEDAR](#) database for these types of filings. See above for details on find companies relevant to your market or industry.

Provincial and Municipal government finance and planning departments also produce outlook reports. Many times they are included in budgetary documentation. For a list of provincial web sites see: <http://www.canada.gc.ca/othergov-autregouv/prov-eng.html>. Also see our [Census research guide](#) for information on provincial statistical departments. For your local municipal and regional government sites search [Google](#).

Another excellent source for local economic projections is the Financial Post publication *FP Markets - Canadian Demographics*. It includes local 2 and 5-year projections of total income, retail sales, as well as population and households. At a national level it also includes projections of key economic indicators. This publication can be found in most reference libraries.

Statistics Canada produces limited forecast data. The *Quarterly Business Conditions Survey: Manufacturing industries* provides quarterly data on what manufacturers expect for the immediate future including production prospects, employment prospects

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and finished product inventory. Highlight data can be found in in the Canadian Statistics section of their web site. See:

[Business condition survey of the manufacturing sector, by subsectors](#)

[Business condition survey of the manufacturing sector, seasonally adjusted, by province](#)

For detailed results from this survey see CANSIM tables [302-0007 and 302-0008](#). For more information on CANSIM [click here](#).

The Statistics Canada publication [Private and public investment in Canada, intentions](#) provides anticipated capital and repair expenditures on construction and on machinery and equipment for divisions and industries at the Canada level and by division at the provincial level. It also includes a split between private and public investment. The data focuses on capital spending intentions for the coming year and the actual investment for the previous year. Detailed results from this survey are also available on CANSIM tables [029-0005, 029-0007, 029-0022, 029-0024, 032-0001, 032-0002](#).

The most reaching forecasts produced by Statistics Canada deal with population figures. The publication [Annual Demographics Statistics](#) provides population projections for the next five years while the publication [Population projections 2005-2031](#) (cat#91-520) estimates forward a quarter of a century.

In 2005 Statistics Canada released a new population projection publication that focused specifically on ethnic populations namely visible minorities by specific population, non-Christian religious denominations, immigrant status (immigrant vs. non-immigrant) and mother tongue (non-official mother tongue vs. at least one official mother tongue). You can access [Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001 to 2017](#). Also see [Projections of the Aboriginal Populations, Canada, Provinces and Territories](#).

Finally do not forget to look at many [economic forecast](#) references we have compiled in our [Source Lists](#). They cover a wide variety of markets and industries and are updated on a regular basis. Also look at references related to your specific industry and market.

All of the above figures provide you with a general outlook and some benchmarks against which to measure your own growth rates. If the economy is expected to grow 1.2% this year and you are forecasting 150% growth you will need to make sure you have an extraordinary yet realistic reason for your optimism.

Market projections are never “carved in stone”. In fact you will often find that projections made by different sources can vary quite widely. Even research firms themselves recognize the hazard in making projections. IDC, an IT research firms

proudly claims to have a 70% accuracy rate on its forecasts but of course that stills means they are wrong nearly a third of the time! So never place the success of your business in the hands of optimistic projections. (That's what many "dot-coms" did and look what happened to them!)

The importance of forecast figures must be kept in perspective. Consider for example how you decide what to wear in the morning. Canadian weather forecasts with all their satellite and computer models are accurate only 61% of the time even when you do not consider minor temperature variations. Precise weather forecasts with exact temperature predictions occur only 14.6% of the time in a given year.

Not surprisingly therefore most of us not only listen to the weather report but also look out the window at the sky, examine the thermometer in the backyard, see what other people are wearing, and perhaps even step outside for a moment to make our own assessment on what to wear.

All relevant forecasts provide insight but to understand your market conditions you need to talk to people already in business. Ask suppliers, customers and related businesses what they see for the future of your market or industry. Let them know what data you have uncovered yourself and ask them what they think.

Finally you also need to look at past performance, [current benchmarks](#), competitive trends, and market activity. You need to create a complete picture of your business and the conditions under which it will operate. Our [Source Lists](#) are the quickest way to access current and relevant information.

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