

GUIDE TO SUCCESSFUL MARKETING AND SELLING TO US IMPORTERS

**The Best Ways To Promote Your Products
And Find New Buyers In The USA**



AMERICAN IMPORTERS ASSOCIATION



Important Disclaimer:

This guide is designed to provide general information that will help exporters around the world contact and do business with importers in the USA. It is not intended to be a comprehensive guide.

It is sold with the understanding that this association is not a legal office, customs broker, or agent of the US government. If expert assistance in exporting to the USA is required, the services of a competent professional should be sought.

We have tried to insure the accuracy of the information in this guide. However, in today's fast paced business world data, laws, and other information change very rapidly. This association takes no responsibility for inaccurate or incomplete information. No warranty as to the accuracy is given.

The information in this guide is provided to help with the understanding of and compliance with importing laws and regulations in the USA. The information in this guide is for general information only. Exporters wishing to do business with US importers may also want to get guidance from licensed customs brokers, attorneys or consultants.

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Chapter One

The Steps in Selling To US Importers

Selling to US importers can be very large and complex and it can be small and simple. The general concepts, however, remain the same. The US is the world's largest importing country. But doing business with US importers is highly competitive. Exporters from almost every country in the world would like to export to the US. US importers are able to be very selective and most often dictate the terms of business transactions.

Being successful selling to US importers requires understanding the import process. This section is not a discussion of how to market to US importers. This is done in the chapter **Best Ways To Market And Sell To US Importers**. This is a discussion of the import process through the eyes of the US importer. Understanding it can be the key to success. Not understanding it can be the key to failure.

The biggest mistake an exporter can make is if he/she tries to sell to US importers in the same way they would sell to buyers in their own country or in Europe, for example. The US has its own set of rules, business customs – and laws.

Finding Buyers in the US

When trying to establish a successful and long term exporting business you should choose your buyers overseas even more carefully than you choose your buyers in your own country. Doing business with someone who is very far away, with a different set of customs and laws, and who may speak a different language is much more difficult than doing business with local buyers.

There are several places that an exporter can go to find prospective buyers. Trade fairs, B2B web sites, and contacting that country's embassy are just a few. Our own **Database List of US Importers** is a great place to start. It lists the company names, contact information, and products imported of approximately 13,000 importers in the US.

A good business practice for exporters is not to limit themselves to just one – or even two- buyers. If the exporter loses that buyer then business to the US virtually stops until a new buyer can be found. Try to have as many customers as you can realistically supply. If one buyer stops buying you can rely on the others until a new replacement buyer is found. Be careful, however, not to spread yourself too thin. Having too many customers could mean giving them poor service and delivering their goods late. These two mistakes are sure to cost you customers.

Another point to remember is that many of the US importers in a certain sector know each other. They meet at trade fairs, sector specific conventions and meetings, and through word of mouth. If you as the exporter give a US importer poor service, poor quality, late delivery, or behave in a way that an exporter should not behave, it WILL get around to the other importers in that sector. Some sectors keep "black list" of exporters

that have behaved unprofessionally. As an exporter you want to make sure that you always give good service, provide a good quality product, and deliver on time. If you don't, not only will you lose that customer but there is a real potential you will lose many others by being black listed.

Negotiating the Terms

After you have found a US importer that is willing to buy from you, you must establish the terms and conditions on which you will sell your products. Three of the biggest mistakes that an exporter can make are:

- 1) Accepting an offer that is beyond that exporter's capacity. Greed and wishful thinking sometimes lead to an exporter accepting an order that he/she knows is too big.
- 2) Agreeing to ship the goods in an unrealistically short period of time. The buyer is counting on you to deliver the good on the date that you promised. Not doing so puts the buyer in a very bad situation.
- 3) Agreeing to give the buyer credit without first doing a credit and reference check on the buyer. The vast majority of US importers are honest. But there are some who prey on exporters. They place orders, ask for credit, and have no intention of paying. For more information on this topic see the chapters on **Making Sure You Get Paid** and **How To Know If A US Importer Is Reliable**.

Negotiating is a give and take process that must benefit both parties in order for the business relations to be long term and profitable.

Writing the Sales Contract

This includes the product/s to be sold, the price, payment terms, and any other details of the sale. This should also include what to do in case of a dispute or conflict. You must decide to use your country's laws or the buyer's country's law in case of dispute. You may also choose to have the dispute go to arbitration. The sales contract is one of the most important steps in doing business with US importers. You must legally protect yourself.

Usually the agreement is paragraphed and headed by numbers. A sample sales contract might look like this:

XYZ Corporation
BASE AGREEMENT

1.0 ORDERING

1.1 Customer and its wholly owned Subsidiaries may order Products and related services by sending XYZ Corporation a written purchase order. XYZ Corporation will confirm receipt of orders.

...

2.0 CUSTOMER'S RESPONSIBILITIES

Customer represents and warrants that:

2.1 Products will be: (a) integrated or incorporated into systems sold under Customer's logo or trade name unless otherwise specified by XYZ Corporation in writing.

...

3.0 SHIPMENT, TITLE, RISK OF LOSS

XYZ Corporation will provide an estimated shipment date in the order confirmation.

Customer is responsible for all freight and duty charges for all Products acquired by Customer under this PSA from XYZ Corporation 's shipping location.

...

4.0 PAYMENT TERMS

XYZ Corporation shall invoice Customer after the Products have been shipped. Customer shall pay the full amount of the invoice within thirty (30) days of the invoice date,

...

5.0 CANCELLATION AND RESCHEDULING

XYZ Corporation may charge a fee for cancellation or rescheduling of the Products as set forth in the Product Attachment(s).

...

6.0 CHANGES

6.1 In the event that XYZ Corporation 's ability to supply Product becomes constrained, XYZ Corporation may, as XYZ Corporation deems reasonable, reduce quantities or delay shipments to Customer.

Packing and Packaging

It is the importer's responsibility to notify you of the packing and labeling requirements for the products that he/she has ordered. The products must be labeled in accordance with US Customs rules and regulations. This is especially important for certain items like food, chemicals, and clothing. The products must be packed in a way that they will arrive at the final destination in good shape. The goods will most probably be loaded onto several vehicles before arriving at the importer's warehouse.

Information on how to pack goods for the purpose of transporting them may be obtained from shipping manuals, carriers, forwarding agents, and other sources. It is important that goods being exported be packed in a way that will permit US Customs officers to examine, weigh, measure, and release them promptly.

Orderly packing and proper invoicing go hand in hand. You will speed up the clearance of your goods through US Customs if you:

- Invoice your goods in a systematic manner,
- Show the exact quantity of each item of goods in each box, bale, case, or other package,
- Put marks and numbers on each package,
- Show those marks or numbers on your invoice opposite the itemization of goods contained in the package that bears those marks and numbers.

It is easier for US Customs to examine the shipment when packages contain goods of one kind only, or when the goods are imported in packages the contents and values of which are uniform. If the contents and values differ from package to package, the possibility of delay and confusion is increased. Sometimes, because of the kinds of goods or because of the unsystematic manner in which they are packed, the entire shipment must be examined.

Packing a combination of different types of goods makes it difficult for US Customs officers to determine the quantity of each type of product in a shipment. Such packing

can also lead to a variety of other complications in the entry process. There should be no problem, however, from the orderly packing of several different kinds of properly invoiced goods in a single package. It is packing different goods in different containers that cause difficulty.

Labeling is important for all sectors. But it is especially important for the clothing, textile and fabric sectors. Textile and apparel exporters but ensure that the documentation covering the imported merchandise, its packaging and its labeling, accurately identify the importation's country of origin.

Shipping the Goods

The importer will generally decide on the shipping arrangements. The terms of the shipping must be clearly laid out in the sales agreement. The importer must select the best carrier, price, routing, container, and scheduling for the shipment. Few US importers will rely on the exporter to decide this.

Obtaining Insurance

Either the importer or the exporter must insure the shipment. Be sure to insure the full value of the goods. This includes packaging, shipping, storage, and any duties and taxes that may be due. This can be done shipment by shipment whereby you insure each individual shipment. Or this can be done on a term-policy basis with a broker or with an insurance company.

There are usually three kinds of cargo insurance.

- 1) All Risk: This kind covers your shipment from your door to theirs. It also covers partial shipments and total loss or damage.
- 2) With Average: This kind covers your cargo for partial and total loss or destruction on the main carrier only. That means your shipment is covered while it is on the ship. It is not covered while on the truck to the ship or from the ship to the importer. Not is it covered on the pier while it is waiting to be loaded.
- 3) Free of Particular Average: This kind covers your shipment only on the main carrier and only if there is total loss, damage, or destruction.

You can choose to buy insurance on a shipment by shipment basis. Or you can get a blanket policy on a yearly basis. For more information you should contact your freight forwarder or your insurance agent. The greatest amount of marine insurance is written under an "open policy". These are insurance agreements that remain active until they are cancelled. Under this system individual shipments can be reported and declared without the need to apply for a whole new policy.

The exporter should know that the "all risk" kind of cargo insurance does not include all risks. It covers only physical loss or damage from external causes. It does not include damage due to war, strikes, or riots.

Clearing US Customs

This topic is covered in much more detail in the chapter **Helping Your Buyer Get The Shipment Through US Customs**. In brief, you the exporter are 1) responsible to pack the shipment in such a way as to make it easy for US Customs to examine the shipment. You are also 2) responsible for making sure that all documents are correctly filled out. Obeying these two requirements will help to insure that you keep that

customer for many orders in future. Failing to obey these requirements will almost certainly mean that the importer will be looking for another supplier for the next order.

In almost all cases the importer is responsible for getting the goods through US Customs and into the country. Most importers hire a customs broker to deal with Customs entry and clearance procedures. However, in order to get the goods through Customs the exporter must have followed the importer's instructions as outlined in the sale contract (labeling etc). In addition, the exporter must supply proper documentation. Without this documentation the importer cannot get the goods out of Customs. In many cases the receiving of the specified and properly filled out documents is a requirement for payment.

Chapter Two

Best Ways to Market and Sell to US Importers

The USA is the world's largest importing country. US importers and buying agents are always looking for new products to sell. US consumers are hungry for a wide variety of products.

However, marketing and selling to US importers can be very difficult. There is competition from exporters in almost every country of the world. Being successful in finding US importers to buy your product requires patience and knowledge of how the system works. With so many exporters trying to sell their products, US importers can be very selective. It is extremely important that you the exporter understand your products potential in the US market, the best ways to market and sell it, and how to get along with the importer.

There are a variety of ways to market your product to US importers. The best way for you depends on your product, the market you are trying to reach, what country you are in, and your budget. Building a strong and profitable customer base in the US takes time, work, and money. There is no easy, fast, or cheap way to do it.

Use Direct Marketing

Direct marketing remains one of the most effective ways of reaching and convincing importers to buy your product or service. Yes it is more expensive than some of the other ways. And yes it does take more time to get results. But the results that you will get are MUCH greater than with any other technique. Direct marketing means sending a sales letter (and possibly a brochure) by mail to importers who you know might be interested in your product.

The first thing you need is a list of prospective buyers. A list of approximately 13,000 US importers in a variety of different sectors can be found on the CD **List of US Importers and Buying Agents**.

Sales letters are more effective than any other form of marketing, except maybe trade fairs. Telephoning is hard and can reach only one person at a time – if you reach them at all. Sending a fax without the person's permission is illegal and hated. Sending SPAM e-mail doesn't work. What US importers want is a sales letter that they read at a time that is convenient to them. They read the first line, or paragraph, to see if they are interested in your product. Then they skip down to the last paragraph looking for the web site address. If they are still interested they turn to their computer and go to your web site. It is here that they get the information about your products, make a decision if they are interested or not, and contact you for more details or a price quote.

Exporters who understand this first paragraph to last paragraph for web site address to computer to your web site technique that US importers use should do well. Exporters

that continue to write long and wordy letters, do not have their web site address in the last paragraph, or use some other form of marketing are not going to do well.

It is important to send your sales letters out over a period of time. For example, if you find 500 companies on our database list that you want to send a sales letter to, do not send all the letters at the same time. It may be that you cannot afford such a cost all at once. And if you have a product that US importers are really interested in at a price they are willing to pay it might be that you get this huge spike in orders all at once and are not able to produce that much. Spread the sending of your sales letters over time, say, six months or so. This way it is easier on your budget, you are sure that you can handle the amount of orders coming in, and you will have orders coming in over a longer period of time.

Keep Your Sales Letters Simple and Short

The second thing you need is a really good sales / marketing letter. More detailed information is in the section **Sample Sales Letters**. Your sales letter should have four paragraphs, not more and not less. The first paragraph gets the buyer's attention (you have only 7 seconds to do this). The second paragraph tells what the seller can do for the buyer. The third paragraph gives the details. The fourth paragraph is perhaps the most important. It tells the buyer exactly what to do to order the product or to get more information. This should ALWAYS include asking the buyer to visit the seller's web site for details.

Keep Your Brochure to One or Two Pages

Whether to enclose a brochure with your sales letter is up to you. Now that buyers can go to the internet and get information from a seller's web site, brochures have become almost obsolete. If you do include a brochure it should be no more than two pages. Large brochures are a waste of your money and the buyer's time. You can put this same information up on your web site and change it as the market requires.

Have a Well Designed Web Site

The third thing you need is a good web site. More detailed information is in the section **Designing Your Web Site**. Exporters who do not have a web site are at a serious disadvantage. If you are serious about doing business with US importers, you should have a well-designed web site. It is very important in today's market. If you don't have one, get one. Not having a web site is like not having a fax machine.

Sell Your Goods by Using B2B Web Sites

The way products are sold to American importers and buyers has changed over the last 10 years with the introduction of the internet. Business-to-Business (B2B) portal web sites were very popular in the last few years of the 1990s and early years of the 2000s. Their importance and significance has since decreased as trade fairs have become ever more popular. But B2B sites can be a source of customers and can be a great way of seeing what your competitors in other countries are doing. More detailed information is in the section **Using B2B Portal Web Sites**.

Have An Effective E-Mail Marketing Strategy

Sending sales messages by e-mail can be a low cost, effective, and fast way to find new customers. But it has to be done properly and using the expected business

etiquette. Done the wrong way and you will get the reputation of spamming or being a "spammer". And importers HATE spammers.

The key to having a successful e-mail marketing campaign is to have an "opt-in" e-mail list. Importers voluntarily give you their e-mail addresses in hope that you will send them some valuable information (a newsletter, for example) about the sector or your products. More detailed information is in the section Marketing and Selling by E-mail.

Doing business with US importers can be very frustrating and time consuming. But done properly it can also be very, very profitable.

Chapter Three

How NOT To Market And Sell To US Importers

Just like there are good ways to market and sell to the US importers (see the section on How To Market And Sell To US Importers) there are also bad ways to sell. It is important for the exporter to understand that he/she must market to US importers the way THEY want to be marketed to. Not the way the exporter wants to. Don't choose the easiest way, or the cheapest way, or the fastest way. Choose the form of marketing that will get you the best results.

Building a strong and profitable customer base in the US takes time, work, and money. There is no easy or cheap way to do it. Exporters who think they can send a few e-mails or a few faxes and get customers overnight are mistaken. Exporters who try to market on the cheap look just that – cheap.

Here are a few of them starting with the worst:

Don't Try To Market Your Product By E-Mail (SPAM)

A good opt-in e-mail marketing strategy can be very effective in finding new customers. More detailed information is in the section **Marketing and Selling By E-mail**.

However, sending an e-mail sales message to someone you don't know and who has not given you permission to send that message is a bad and ineffective way to market your product. These messages are called SPAM and they are considered the "poor man's marketing".

It may sound like a good idea to be able to send a sales message by e-mail. It's fast and free. The problem is it's ineffective and it makes your product and your company look cheap. Proper companies do not send SPAM e-mails.

Think of it this way. When is the last time you personally ordered a product from someone who sent you a SPAM e-mail message? Probably you never have. And importers do not order products from SPAM e-mail messages either. They don't trust these messages. They don't take them seriously. And they don't buy from them.

Here are some of the reasons you should not use e-mail to market your products:

- 1) Your e-mail message gets lost in with all the other spam messages. The importer probably will not see it. It is in with the Viagra, cheap watches, phony university diplomas, and Nigerian scam messages.
- 2) SPAM e-mail is considered a cheap way to market. It cheapens your product and your company.
- 3) Spam e-mails are not trusted, not taken seriously. US importers don't give orders based on some SPAM message they received.

Don't Send A Fax

This is a step up from e-mailing, but it is still a bad way to try to market and sell your products.

Here are some of the reasons you should not use faxing to market your products:

- 1) Faxed pages do not look nice. They are only black and white, the photos and logos do not show up well, and they make a bad impression. Are you sure this is the way you want to show your products? (Sales letters and brochures look nice and you can show your products in photos/)
- 2) The amount of information you can send is limited - only one or two pages.
- 3) The function of the fax machine is to get documents from clients, customers and suppliers. It is not a marketing tool. It makes US importers very angry to get sales faxes. It uses their fax paper and ties up the fax machine preventing clients and suppliers from sending legitimate faxes.
- 4) It is illegal. US law prohibits the sending of a sales message by fax unless the person receiving the fax has given permission.

In most cases the cost sending a fax from overseas to the US is about the same as postage to the US. And a sales letter by mail is much more effective at finding new buyers.

Do not have a free e-mail address as your business e-mail

Having a free (hotmail, gmail, yahoo, vsnl, sina, etc) e-mail address is one of the worst things you can do in business. It's fine for your personal messages to friends. But free e-mail accounts used for business purposes are very, very bad for your business.

Having a free e-mail address like yahoo or hotmail is like using a public coin-operated pay phone for your company telephone. Using a free e-mail address says to the buyer "We are not serious enough to get our own telephone, but if you call this pay phone number located in the street near our office we will run out of the office and try to answer it." Free e-mail addresses are bad news.

1) US importers do not trust free e-mail addresses. The exporter could be the largest food exporter in that country, But if they have an e-mail address of goodfood@yahoo.com then to US importers they automatically become small. No big companies who know what they are doing use free e-mail addresses for business.

A company should use the same e-mail address as their web site. To use the example above, the web site address should be www.goodfood.com. And the e-mail address should be sales@goodfood.com or export@goodfood.com.

2) Spammers and thieves use free e-mail addresses. This is because it is so difficult to track these addresses. When a US importer gets an e-mail from a free e-mail account the first question is "Is this someone trying to cheat or scam me?"

3) Often buyers and suppliers will send confidential information by e-mail. This might include bank details, product specifications, or private trade information. If this data is sent from a dedicated e-mail address, for example buyer@foodimports.com, to a

dedicated e-mail address, for example `exporter@foodexports.com.cn`, there is only a small possibility of this information being stolen along the way. If, however, this data is sent from a free e-mail address, for example `foodimports@yahoo.com`, to a free e-mail address, for example `foodexports@gmail.com`, there is a much larger possibility of this information being stolen along the way. This is because free e-mail messages go through multiple servers.

If you are an exporter do yourself a favor. Do NOT use free e-mail addresses for your business. Get a web site address and then make your e-mail addresses based on this web site address. Possible e-mail addresses include:

`sales@yourwebsiteaddress.com`
`export@yourwebsiteaddress.com`
`customerservice@yourwebsiteaddress.com`
`qualitycontrol@yourwebsiteaddress.com`
`export.manager@yourwebsiteaddress.com`

Don't Send Sales Letters that Have Spelling/Grammar Mistakes or Use Out-of-date English

The sales letter that you send to a prospective buyer is your representative of your company. The prospective buyer cannot see your factory, or your office, or your quality control department. All they see is that sale letter you sent them. If it looks good then you look good. If it looks bad then you look bad. In the eyes of US importers a badly written sales letter means a badly produced product. For US importers a good manager is a good manager in every aspect. They do not understand how a manager can write a bad sales letter but still product a good product. A really good manager will have a good sales letter and a good product.

More detailed information is in the section **Sample Sales Letters**.

Check your letter to make sure there are no spelling or grammar mistakes. These mistakes make your company look sloppy and inefficient. Letters with mistakes force the reader to concentrate on the mistakes, not on your products. No US importer wants to do business with a supplier that is sloppy and gives the impression that they don't care about details.

Do not use abbreviations for your words. That was ok when we were communicating with telex. With in letters and e-mail messages abbreviations for words are acceptable only for standard words like mister to Mr. Using "pls" for "please", for example, and "u" for "you" make the prospective customer think that you are lazy. Type you the entire word.

Do not use out-of-date sentences like "Would you be so kind..." and "Under separate cover please find..." These old sentences show that you are old fashioned. US importers want to do business with companies that are young thinking, that are modern and contemporary. Sentences like "I acknowledge receipt of your proposal" are old and are not used in modern business communication. Companies that use such sentences are seen as old and out of date.

Do not try to flatter the importer

There are exporters that think if they flatter the importer enough that they will get an order. For example "Dear Respected Sir:", "your esteemed company". Exporters will get orders by writing clear, concise, and modern letters that offer products the US importer is interested in. Not by trying to butter them up.

Never push the buyer to do something.

Sentences like, "I am looking forward to your favorable and prompt reply" are pushy and should not be used. Never use words like "prompt", "ASAP", "at your earliest convenience" etc. Never tell a US importer what decision to make, as in "favorable". They are rude and pushy.

US importers are professionals. They will answer you because it's the business-like thing to do. Not because you push them. And the reply they give you may or may not be favorable. But pushing them for a quick reply in your favor is poor technique.

An importer got a letter from an exporter recently that had this as a last sentence: "Look forward to hearing something positive from your end". The importer replied back: "What ever you hear from my 'end' is not going to be very 'positive'".

Don't Send Letters that Use the Word "introduce" in the Opening Paragraph

US importers get many sales letters on their desks everyday. About 97% of the letters go into the trash. The biggest reason is because the exporter has not been convincing, has not gotten the importers attention. US importers like letters that are to the point, concise, and a bit unique.

Letters that start with "We would like to introduce ourselves" show that the exporter has no creativity. This exporter is just another in a long line of uninspiring letter writers with an uninspiring product. Letters with the word "introduce" are in fact screaming "I'm a boring sales letter!" Do not use the word "introduce" when trying to sell your products. It's an immediate turn off.

The fact is that you cannot introduce a company to a person. You introduce a person to a person. Trying to introduce your company to a person is bad form.

Don't Over Promise

Be realistic about what you can and cannot do. US importers often give very large orders for very large amounts of money. Do not promise you can produce such a large order unless you can. Two of the biggest mistakes exporters make are poor quality and late delivery.

Remember that many of the importers in the same sector know each other. They meet at trade fairs, sector conventions, or perhaps they worked together in the past. If you as the exporter over promise and are not able to fill and deliver an order on time, it will get around to the other importers in your sector. You will get a bad reputation, or worse, get black listed,

Here is a list of words and phrases that you should not use because they are old-fashion or rude (in bold). Under it is the modern word or phrase that you should use.

Would you be so kind

Please

I would like to take this opportunity to...(thank you for) Don't use this at all. Start with your sentence. Thank you for...

kindly

please

thank you in advance (Don't use it. It's impossible to thank someone before they do something!)

acknowledge receipt of

Thank you for

advise say, tell,

let us know

am in receipt of

I have received

as per as,

according to

at this time

now

due to the fact that as,

because, since,

duly, esteemed (Don't use them)

enclosed please find

enclosed, here

from your end / from your side

from you

Chapter Four

Reasons Exporters Are Not Successful In The US Market

Exporters can reap huge rewards and have great success exporting to the US. America's vast market is full of potential.

Exporters can also fail in the US market costly them a lot of money. The competition among exporters around the world to do business with US importers is stiff. Those that do not know how to be successful have little chance of success in the American market.

Here are a few reasons exporters are not successful in the US market:

Poor Marketing

US importers want to be sent a sales letter that directs them to your web site. They do not want to be telephoned. They do not want to be faxed (plus it is illegal). They do not want to be sent an e-mail.

Poor Web Site

Your web site is your 24-hour sales agent. It should be well designed and guide the importer page by page through the process. Poor web sites lead to poor sales.

Poor Sales Letter

Your sales letter (and your web site) is all that the US importer sees of your company and products. If it looks good – you look good. If the letter is sloppy and filled with bad grammar and poor letter writing style it makes your company look sloppy.

Not Taking Exporting Seriously

All too often exporting is seen as a way to get rid of the products that can't be sold on the domestic market. Exporting cannot be viewed as a side market.

Lack of Knowledge Of The Export Process

Inexperience with and lack of knowledge of the entire export process can be a serious handicap. This includes getting products out of the exporter's country, shipment, and getting products into the buyer's country and through Customs.

Underestimating Costs and Expenses

Not knowing all the costs involved in producing and taking a product to market and lead to real financial loss.

Low Selling Price

The inability for you to get a price for your products that covers your costs and allows you to make a profit will not allow you to continue for long.

Late Shipment Of Goods

US importers expect you ship the goods at the time you promised. Late shipments are a primary cause of losing customers. US importers do not tolerate it.

Failure To Supply Needed Documents For US Customs

Documents that are improperly filled out or missing prohibit the US importer from bringing the shipment through US Customs and into the country. Don't count on another order from that buyer.

Poor Relationship With Buyers

The inability for you to establish a good working relationship with your buyers will lead to lost customers.

Relying On Too Few Buyers

Just a few buyers may keep you producing your product at capacity. But lose one or two of these buyers and you will suffer.

Insufficient Working Capital

Not having enough cash on hand can put you into a financial crisis and close your business. You must be prepared if a buyer pays late, if a shipment is delayed, or if there is a recall.

Not Understanding Foreign Exchange Fluctuations

Your inability to see and protect yourself against foreign exchange fluctuations can wipe out your potential for profit.

Inability To Work With Your Professional Advisors

Not being able to work with your export customs broker, freight forwarder, banker, attorneys, and accounts can slow down your process and cause great hardship.

A well prepared marketing and exporting plan can lead to success and profits. A sloppy one can lead to failure and financial loss.

Chapter Five

What Are The Main Opportunities For Exporting To The USA

The United States is the world's largest importing country. US importers are always looking for new products to import and resale. Americans are hungry consumers of a wide variety of goods. In 2007 US \$1.967 trillion worth of goods were imported into the US. The largest import trading partners are (2007 import figures) China (\$321 Billion), Canada (\$313 Billion), Mexico (\$210 Billion), Japan (\$145 Billion), and Germany (\$94 Billion). Most countries of the world are doing some type of international trade with the USA. Exports from countries both large and small are welcomed.

It is often difficult to follow products trends in the US. In today's world of internet and text messaging, products can be obsolete before they hit the store shelves. Trends and fashions tend to change very rapidly. A good place to see what opportunities might be available and where the market may be going is by attending a trade fair in that sector. Watch what exhibitors are offering and what prospective buyers are asking for. Read sector magazines, newsletters, and internet blogs to see what new innovations are on the horizon.

What are can export to the USA depends on 1) what you can produce or acquire, 2) your ability to get the products to the US and through US Customs, and 3) what US importers want to buy.

What You Can Produce Or Acquire

The first step is having a product that US importers want at a price that US importers are willing to pay. There is a tremendous amount of competition among exporters around the world to sell to US importers and buyers. US importers are always looking for new products to import. One key to success is to make a product that is different from everyone else's product. Try to look into the future to see what is up and coming.

Your Ability To Get These Goods Through Customs

Products That Are Relatively Easy To Export To The USA: Leather goods, leather hides and saddlery, luggage, musical instruments, paper and paper products, sporting goods, artificial flowers, jewelry, gems, pearls and gemstones, optics and optical goods, plastics and plastic products, household appliances, artificial fur, glass and glass products, utensils, ceramic tiles, art, machine tools, rubber and rubber products, brushes, base metals, hand tools, cork, lighting fixtures, stone and stone products, umbrellas, wallpaper, and cutlery.

Products That Are Difficult To Export To The USA: Alcoholic beverages, paints and related products, motor vehicles, meat and meat products, radioactive materials, explosives and fireworks, prepared foods, drugs, textiles and textile products, toys, guns, arms and related products, aircraft and aerospace products, fertilizers, dairy products, live animals, poultry, poultry products and eggs.

What US importers Want To Buy

Giftware

The US is a big gift giving country. Americans give gifts to their friends at birthdays, weddings, and anniversaries. They get gifts when they get married, buy a house, have a baby, and then get divorced. There are several days in the year that are designed for gift giving: Christmas, Valentine's Day, Secretary's Day, Mother's Day, Father's Day April Fool's Day. Giftware has excellent potential.

Giftware is under the jurisdiction of the Consumer Product Safety Commission (CPSC). These products must comply with CPSC's extensive safety regulations and standards. There are no permits or licenses required in order to import these products into the USA.

Types of giftware that are popular include: china and crystal, collectable bears and dolls, collectible figures and figurines, decorative home accessories, dolls and doll accessories, executive gifts, fashion accessories, jewelry, watches, games, toys, prizes, handbags, hats, scarves, gloves, mugs and steins, perfumes and beauty and products, porcelain, and vases.

Home Textiles

The housing market is huge in the US. Couples getting married and getting their first house. Couples moving up to a big house. Older couples moving to a smaller house. And each time this happens they need new home textiles for that new house. Curtains, rugs, bed linen, pillows, table linens – the list is long. Home textiles are a great product for exporting to the USA.

Types of home textiles that are popular include: rugs, bedding ensembles, bed linens, comforters, blankets, throws, afghans, quilts, floor coverings, kitchen textiles, linens and decorative textiles, pillows and bed linens, towels, table linens,

Ethnic Food

Much of the population in the US is immigrant, or their parents or grandparents were immigrants. They long for the food of their native country. There is good potential for success in exporting ethnic food to the US and marketing it to the people who are from the region the food comes from.

Sports Equipment and Clothing

The USA is sports crazed. Gyms and recreation centers can be found in almost every city in the country. A typical Saturday or Sunday morning will have people out walking, jogging, biking, walking their dog, skiing (snow and water), rollerblading, playing baseball, soccer, or American football, hiking, or just enjoying the outdoors. Inside the gyms people are lifting weights, using exercise machines, practicing yoga or Pilates, playing basketball or racquetball, or just sitting in the hot tub.

What do all these people have in common? They need clothing and equipment. Sports apparel and equipment is one of the fast growing sectors in the US and has excellent opportunities for exporting to the USA.

Sporting goods are under the jurisdiction of the Consumer Product Safety Commission (CPSC).

Types of sports equipment and sports clothing that are popular include: active wear, fitness wear, swimwear, footwear, exercise equipment, golf clothing and accessories, racquetball and squash, weight training equipment, hiking wear and accessories, paintball products (very popular!), backpacks,

The USA is the largest importing country in the world. The key is to find just that right product at the right price and get it into the hands of the right importer.

Chapter Six

Being An Agent for US Importers

If you know enough manufacturers and suppliers in your area and have good contacts with them you might think about becoming an agent. As an agent you would solicit and procure business from potential customers (US importers) on behalf of one or more suppliers (in your area). In return you get a percentage of the realized sales revenue (your commission). The person who does this is also called a middleman, representative, buying agent, commission agent, and mercantile agent, or broker.

Many agents make more than the suppliers or importers that they work for. There is very little capital needed and there is very little risk if the agreement falls through. It can be a lot of hard work, however, and you must know what you are doing.

Many US importers, especially the smaller ones, understand that the key in helping their company increase its imports is by selecting a talented import agent. Companies generally have two options when importing products. First, import directly from the supplier, producer or exporter of the product (direct channel). Or second, hire an import agent to find the products for them (indirect channel). For most companies, especially the smaller ones, the second option is the easiest and gets the best results.

In today's business world there may be many producers and exporters for a single product. US importers understand that the service offered by an import agent becomes very valuable. An import agent not only provides the US importer with access to several producers or exporters, but will also help your company with price and payment negotiation, arranging transportation and insurance, providing logistics support and helping to handle the return of damaged and rejected goods.

Some import agents also attend trade shows on a company's behalf in search of products. Many well-established import agents have offices with employees who are familiar with local cultures and business practices. One of the most valuable services an import agent can offer a US importer is to ensure quality products are delivered to the importer.

Qualifications To Be An Agent

To be successful as an agent, you should:

1. have a good ability to read, write, and speak English
2. know several suppliers or manufacturers in your area
3. be able to take care of details

The role and duties of the agent vary from agent to agent and from US importer to US importer. The agent can work for the local supplier to find US importers and get orders from them. Or the agent can work for one or more US importers to find the products in the agent's area.

When a US importer is considering you as their import agent they will look at the following:

- * Your track record and reputation as an import agent in your specific market.
- * The size of your company. Most import agents are small. The bigger isn't always the better. Some small import agent companies are as good as the bigger companies. Smaller import agent companies tend to be more flexible. A larger company might be able to give you the networking opportunities to expand more rapidly.
- * Whether or not you have any competing products, currently work with any of their competition, and the number of importers you are currently representing.
- * Your financial strength and the percentage of your commission
- * Your degree of know how on your product and the entire industry.

What Does An Agent Do?

Generally speaking, however, the agent does one or more of these tasks on behalf of the US importer:

1. negotiate with the supplier for a best price and terms
2. send product information to the US importer
3. introduce the US to new products
4. inform the US importer special offers (discontinued models, etc).
5. send samples to the US importer
6. place order under one L/C if there is more than one supplier (saves bank charges)
7. check the product to make sure the quality is acceptable .
8. check on the goods while they are being produced and give the US importer a progress report
9. arrange for shipment of goods to local port and cargo consolidation (if from more than one supplier)
10. inform the US importer when the order has cleared local customs
11. monitor shipments as they leave the port
12. arrange meetings between local suppliers and the US importer in case the importer visits your area

How Much Does The Agent Get Paid – Who Pays - And How?

How much, who pays, and how it is paid depends on a variety of factors. The agent is almost always paid a commission (percentage of the price of the order). How much the agent gets paid depends on the price of the order and how hard it was for the agent to find the product. Shipments that are very large (many thousands of dollars) have a low commission, for example 2 or 3%. Shipments that are small have a higher commission, for example 6 or 7%. Orders for products that are easy to find, for example a basic men's shirt, have lower commissions. Orders for products that are hard to find, for example a part that is rare or a piece made of unusual materials, would bring a higher commission.

Who pays the agent depends on who contacted the agent first. If a local supplier contacts the agent and ask for buyers in the US, then the local supplier would pay the

commission. If however, the US importer contacts the agent asking for products from local suppliers then the US importer pays the commission.

The most difficult question is – how does an agent get paid. If there is a great deal of confidence between the agent and person who owes him/her money, the easiest way is for the agent to invoice the person for the commission. This assumes, of course, that that agent trusts the person to pay. If the agent is in another country and the person refuses to pay it can be very difficult to collect.

The Transferable Letter of Credit

A more complex, but safer, way to get paid is by Transferable Letter of Credit. This is an irrevocable L/C with two (and only two) successive beneficiaries. In this arrangement, the first beneficiary (an intermediary or importer's foreign representative such as you) can assign part or whole of the L/C amount to a second beneficiary (the supplier or manufacturer). To be transferable, the L/C must be so marked by the issuing bank on the instructions of the buyer or importer (the account-party). On the instructions of the first beneficiary the advising bank can transfer it to the second beneficiary but not any further. This form of payment is used a lot in the Far East (China, Japan, Korea, Singapore, Taiwan, among others).

Keys To Success

Being an agent is a lot of hard work, but it can be very profitable. The agent should always get the agreements between him/her and the supplier and him/her and the seller in writing. Verbal agreements may be fine to get started. But always get it conformed in writing before the actual sale.

And do not have just one or two buyers in the US and just a few suppliers in your local area. If one of your buyers in the US or one of your suppliers in your own area stops doing business with you then you can be in real trouble. Spread out your business over at least four buyers in the US. And have as many suppliers in your own area can you can. The more suppliers you have to choose from the better you can serve your buyers in the US.

One of your major concerns is that the buyer may try to cut you out of the picture on future transactions. This is a real concern and you must prepare for it carefully. You must be absolutely assured that you will be compensated for the value that you adds to the transaction. If trust and a strong relationship is established that fear will not be justified.

Chapter Seven

Making Sure You Get Paid

One of the most sensitive but also most important aspects of exporting to the USA is making sure that you will get paid. The methods of payment have evolved and changed over many years to give a certain amount of protection to both the buyer and the seller.

There are four main ways that an exporter can be paid. If you are the exporter the best is prepayment, letter of credit, draft, and open account. If you are an importer you want these types of payment in that reverse order.

Prepayment

Prepayment, also called cash in advance, is the payment of a debt obligation prior to its due date. This is the best form of payment for the exporter. There is little risk to the exporter. All of the risk lies with the importer who trusts that the exporter will ship the goods as ordered.

Risk to the Importer:

- 1) The goods may not be shipped. At that point the importer can request a refund. However, this refund may be late in coming – or may not come at all. There is not much the importer can do here. Depending on the amount of the order the importer can take the export to court in the exporter's own country. But this is very expensive and is worth it only when the amount of the payment was very large.
- 2) If the exporter has the payment already then he/she may not be as quick to send the order. Other orders that are payment on delivery make take priority. There is no incentive for the exporter to send the shipment on time, other than the fact that the exporter might lose a customer.
- 3) The documents may not be sent to the importer. To get the shipment through US Customs the importer needs certain documents. These documents may not be available to the importer at the time needed, and may not ever arrive. The importer then is left with a shipment of goods that he/she cannot obtain because the required documents are not available.

Forms of prepayment include credit card, bank wire transfer, and international certified check sent before shipment is made.

Importers who use this form of payment should know the exporter well. There must be a certain level of trust.

For many exporters prepayment, or at least partial prepayment, is the only way they can take the importer's order. They need this money to pay for goods used in the production. Without this prepayment they may not be able to afford to take the order.

Letter of Credit (L/C)

A letter of credit is a letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount providing all the terms of the L/C are

met. In the event that the buyer is unable to make payment on the purchase the bank will be required to cover the full or remaining amount of the purchase. One of the most common ways of payment is the Letter of Credit (L/C, also sometimes called the documentary credit). When the L/C has been issued the importer cannot change his/her mind. They cannot change the L/C unless the exporter agrees. So the exporter can feel assured that as soon as the shipment is sent, together with all the documents filled out correctly, the exporter will get paid. At the same time, the importer knows that the exporter cannot take the funds until the goods are shipped.

The steps to opening an L/C are not complex. But they must be followed to the last detail.

- 1) The importer goes to his/her bank and applies for the L/C.
- 2) The importer informs the bank exactly which documents will be required and how these documents should be filled out.
- 3) The bank puts the requirements in a letter and sends the letter to the exporter's bank.
- 4) The importer's bank sends the original L/C to the exporter's bank.
- 5) The exporter produces and ships the goods exactly the way the L/C has requested.
- 6) After the shipment has been sent, the documents that prove the shipment has been sent are sent to the importer's bank.
- 7) The exporter's bank is then paid.

The exporter should make absolutely sure that the L/C is irrevocable. This means that it can be cancelled before the date of expiration. It is very uncommon to see an L/C that is revocable. Note that on the date of expiry if all the documents have not been given to the importer then the L/C automatically expires.

Payment of an L/C is based on the terms of the L/C itself. It is not based on the terms of any sales contract or sales agreement. If the exporter does not do exactly what the L/C asks then there is a "discrepancy". The importer's bank notifies the exporter's bank exactly what the discrepancy is. The importer's bank also tells the importer what the discrepancy is and asks if the importer accepts and still wants to make the payment. If there is any error or omission in the exporter's documents the importer can change his/her mind and the exporter will be left with the shipment in a foreign port.

It is important to understand that an L/C is not a guarantee that the exporter will get paid. The L/C says that the exporter will get paid if the L/C is conformed to exactly. If there is one mistake, error, or something left out of the documents then the exporter is paid only if the importer agrees to excuse the mistake. Everything must be done just right.

Amendments to the L/C can be made, but the fees are high for both the exporter and importer. These changes can take a lot of time and be very expensive. It is very important to get the L/C correct when it is written the first time.

Drafts

A draft, also called a bill of exchange, is the same as a foreign importer's check. The risk for the exporter is that the check may not have funds in that account to cover it.

A sight draft is a draft that is due upon presentation. Exporters use a sight draft when they want to keep title of the shipment until it arrives at its destination. The ocean bill of lading, which is sent by the exporter to the importer through the bank is endorsed by the importer and then given to carrier. This allows the importer to take title of the shipment. The risk for the exporter is the importer's ability to pay may change from the time the goods are sent and the time the exporter takes the draft for payment.

Exporters do not like to use sight drafts when shipping by air. This is because air waybills of lading do not need to be presented for the importer to claim the shipment. Thus there is an increased risk with sight drafts used when shipping by air.

A time draft is a draft payable within a specified number of days after it is presented. By using a time draft the exporter is giving credit to the importer. A time draft says that payment is due within a certain time after the importer receives the goods. The importer writes "ACCEPTED" on the draft and then is required to pay the amount due at the time stated on the draft. The draft is now called a "trade acceptance" and can be either held by the exporter for full payment on the payment date. Or the exporter can sell the draft to a bank at a discount and get an immediate payment.

Exporters use date drafts when they want to specify a date that the payment is due. The advantage is that the importer cannot delay accepting the draft hoping that he/she can delay making the payment.

Open Account

With an open account the importer agrees to pay for the shipment after a certain amount of time. Usually this is 30, 60, or 90 days. This is the best form of payment for the importer. The risk to the exporter is that the importer will not pay. Or perhaps the company goes out of business, the managers change their minds, or the company does not have the money. This type of payment is usually limited to importers who are well known by the exporter and have been doing business with each other for a long time.

The exporter ships the goods, sends the importer a bill, and payment is made by the importer at the agreed upon time. Most payments are by bank wire transfer. Many very large importers will give orders only when the payment terms are open account.

Other Forms of Payment

There are a few other types of payments, none of which is used very often with US importers. Countertrade is the business practice where one party agrees to do certain activities that compensate and benefit a second party. It is a mutual agreement between two parties in which each party provides a good or service in return for a good or service. US importers do not like to do business this way, but will occasionally use it to do business in markets that would otherwise not be open to them. Barter is the exchange of goods between two parties where no money changes hands. US importers rarely use this. This system is used in areas where the local currency is not convertible or not available.

Regardless of the type of payment you accept you should know the reputation and reliability of the importer. More information on this can be found in the chapter *How To Know If a US Importer Is Reliable*.

Chapter Eight

How To Know If A US Importer Is Reliable

How can you make sure that a US importer or buyer is reliable and will do what they promise?

You can't.

There is no way to make 100% sure someone who buys your products will do exactly what they say they will do all of the time. Whenever you sell there are risks. Your customer fails to pay. Or you get sued for harm caused by your product. A company pays you on time for years and then suddenly goes bankrupt. A company sells your products at respectable places for years and then starts selling them at a flea market.

Decreasing The Risk

There is always a risk. Always. The key to your success is to decrease this risk as much as you possibly can. Realizing all the time that you cannot decrease this risk to zero. Realizing that times change, companies change, markets change.

Some risks you can guard against. You get freight insurance in case the shipment is lost at sea. You try to get paid in your own currency in case there is a change in the currency rates. You make sure your quality is good so that the importer cannot threaten to return goods because of poor quality.

Letter Of Credit

The biggest risk that most exporters face, however, is failure to get paid. This can lead to cash flow problems and if the nonpayment is large enough it can even force the exporter out of business.

Your best protection against nonpayment is asking for an irrevocable letter of credit. When you the exporter receive a letter of credit (L/C), you know that someone other than the buyer (a bank) will make payment to you as soon as you have delivered the shipment of goods and the bank has given the necessary documents to the buyer and has all other obligations of the L/C have been fulfilled.

The buyer knows that the payment will be given to the seller only after the documents of shipment have been submitted. This is actually nothing more than a sophisticated cash-on-delivery (COD) transaction requiring both parties to act. The L/C protects both the seller and buyer in both distance and time.

Not 100%

Even L/Cs have their drawbacks. Your money will be paid only after the required documents have been given to the buyer and only if they are filled out properly. A missing document or a document with incorrect or missing data can hold up payment is

the situation is rectified. Your best protection against this is to make sure that all documents are supplied, they are filled out correctly, and all other requirements of the L/C have been met.

US Importers Often Request Generous Payment Terms

There are so many exporters around the world that are eager to do business with the US, it is easy for US importers to pick and choose who to do business with. If a US importer wants to pay after the shipment arrives, or if the financial situation of the US importer does not allow for payment when the shipment arrives, he/she may ask to pay 30, 60, or even 90 days after the shipment has arrived. If this is the case, you as the exporter want to do two things:

- 1) sign a time draft (also called date draft). Here the buyer agrees to pay after a certain period of time. Be sure to be clear when the time of payment is. Do not write just "net 30 days". 30 days from what? Be specific: "net 30 days from acceptance" or "net 60 days from date of bill of lading".
- 2) check out the reliability and credit worthiness of the buyer. More detailed information on this can be found in the Guide to Successful Marketing And Selling To US Importers.

Checking On A US Importers Financial Reliability

If a US importer asks you for payment terms you have the right to check on that person's or company's financial status. It is the same as asking for credit from a bank. What bank would loan money without first checking out the customer? None. And no exporter should either. Giving credit terms to an importer that you don't know and have not checked out is a recipe for trouble.

There are two ways to check on an importer that has asked you for credit. The easiest, most expensive, and perhaps most reliable is by using Dunn and Bradstreet (www.dnb.com). This company will check on the US importer for you and give you a report - for a fee. Based on this report and on any other research you have done on the importer you can make as informed a decision as you possibly can on whether or not you should offer credit to this importer.

A more difficult, less expensive, yet perhaps less reliable way to check on the financial strength of an importer that has asked you for credit is by doing the research yourself. Some companies like checking out the importer themselves. For others it's a cost saving decision.

To check on an importer's credit worthiness yourself, ask the importer for a list of references. This list should include their suppliers (preferably in your country), their buyers (in their country), and other references like banks, chambers of commerce, etc. It is your responsibility to check out this list carefully. Remember three things: 1) this list is going to be a select list that they want you to see, 2) you should NOT give credit to any importer that refuses to give you a list of references after asking for credit terms, and 3) you should give credit in the amount that it would harm your business in the event the credit is not paid.

After checking the references carefully you can determine if you would like to offer the US importer the credit they have requested. There is no way to be 100% sure. But with careful research and common sense you can decrease the risk as low as possible.

Chapter Nine

Sample Sales Letters

Direct marketing (sending a sales letter by mail) is the most effective way to market your products and find new buyers. With all the new technology we have today (internet, fax, B2B, etc) more than 8 out of 10 US importers say they prefer to be contacted by sales letter. But you cannot send just any letter. The sales letter that you send represents your company. If it looks good, you look good. If it looks bad, you look bad. If there are mistakes in the letter then the quality of your product is questioned.

An estimated 97% of all sales letters go into the trash. It is important that your sales letter looks nice and is effective in order to be part of the 3% of letters that stay on the importer's desk. Importers generally look at the first paragraph first. If they are still interested they skip down to the last paragraph to look for the seller's web site address. Our research showed that US importers generally do not look at the second or third paragraph.

Sales letters don't sell anymore. Your web site does that now. Your sales letter has two functions. The first is to introduce your company and your products and the second is to direct the reader to your web site. Effective sales letters generally have four paragraphs and are arranged in the following manner:

Paragraph 1: Attracting Attention

A recent research study showed that US importers generally spend seven seconds looking at a sales letter to determine if they are interested or not. If within that 7 seconds you have convinced the reader that you have a product they would like to buy and resell then they will continue reading. Otherwise the letter goes into the trash.

The first sentence of a sales letter must get the reader's attention. Asking a question in which the answer is guaranteed to be "yes" is a good way to start. For example, "*Would you like to improve your life?*" The opening paragraph, in fact the first sentence, should excite curiosity or attract the attention in some way that will make the reader continue to read the letter.

The most difficult paragraph to write in a sales letter is the first one. You have just a few seconds to get the reader's attention. For example, "*Would you like to see your factory's production increase by 15% or more?*" and "*Wouldn't you prefer to have your wedding pictures taken by the leader in the field?*"

Another way to start a sales letter is to write a sentence that will surprise or shock the reader. For example, "*In 2007 we helped over 250 small businesses like yours to increase their productivity.*" Or "*Since 2001 we have grown from a small printing company to one of the largest publishing houses in the city.*"

Paragraph 2: Building Interest and Desire

Once you have the reader's attention you must give the basic details. Your goal is to show that you have a reliable product that the importer can buy from you and then easily resell in the US for a profit.

The second paragraph must convince the reader of the value of the product. When you have succeeded in getting the reader's attention, you must hold that attention. The best way to hold it is to build interest by describing your product so that the reader can virtually experience it. Use colorful, descriptive words. In paragraph two you must show the reader that he/she either 1) needs your product (a car) - could use your product (an easier inventory system) - should not be without your product (insurance) OR 2) would benefit from your product (a new line of clothes he/she could sell)

Sentence by sentence you lead the reader through your sales pitch. If the buyer closes his eyes he can see that new car, going home earlier because of his new inventory system, the comfort of having insurance, and increased sells because of the new line of clothes.

Paragraph 3: Convincing The Reader

At this point you have the reader's interest and have given the basics. This paragraph tells the importer the benefits of buying your product. Here you show the buyer how he/she will benefit from buying your product.

If you have done your work well to this point, the reader is already interested and is partially convinced. You must convince readers that it is to their advantage to buy your product or use your service. If the reader has read your letter to this point then he/she is interested in your product. Paragraph three convinces him/her to buy it. It is here that you show what buying your product would mean to the reader.

Paragraph 4: Request for Action

This paragraph is short and has only one function: go to your web page for more information. It is very important that you put your web site address in this last paragraph and encourage the reader to go there to see more about your products. You have now reached the point where if your letter was successful, you must move the reader to act. The fourth paragraph must tell the reader what to do to get the product. Tell the reader exactly what you want him/her to do and make it easy to do.

The desired action is go to your web site to get more information and, hopefully contact you for specifics or to place an order. Even the most highly motivated and excited customer will not act if the action you are requesting is too difficult.

A typical sales letter might look like this.

Boris Textile Producing Co. Ltd. is a leading Russian manufacturer and exporter of socks and hosiery. The range of our product line, good quality, and competitive prices have made us one of the fastest growing companies of its kind in Russia.

Located in Moscow, we produce a wide variety of socks and hosiery items in a cotton-woolen-nylon blend for men, women, and children. These socks are of good quality and are popular with customers. Our total production averages 10 million pairs per year, 70% for export and 30% for the domestic market.

We at Boris Textile Co. will work with you to produce the types of socks or hosiery products that will sell well in your stores. We guarantee both our quality and on time delivery of shipments and our prices are very competitive.

For more information please go to our web site at www.boristextile.com.rr.

This sales letter is short and positive, it gives the necessary information, and it encourages the reader to go to the seller's web site.

Do I Enclose A Brochure And Price List?

Maybe and no. Enclose a two-page brochure if your product is not one that I would know what it looks like. For example, a new high technology machine or a specially designed building or vehicle. Do not enclose a brochure if I know what your product looks like, such as pants, TVs, computers, giftware, home textiles, etc.

The brochure that you mail with a sales letter should never be more than two pages.

Never, never include a price list. You do not want that list to fall into the hands of your competition. And you do not want to give the prospective buyer too much information. The goal is to make the buyer curious enough to go to your web site to see your product, and then to contact you for more information (price, specifications, payment terms, etc).

How Not To Write A Sales Letter

Every word in your sales letter must be chosen carefully. Do not use words that are pushy, like "prompt", and "ASAP", and "at your convenience". US importers do not like to be pushed into making a decision. Sentences like, "I am looking forward to your favorable and prompt reply" are pushy and should not be used. Never tell a US importer what decision to make, as in "favorable". They are rude and pushy.

Do not try to flatter the buyer with words like "esteemed" and "respected". US importers will give you an order because you have a product they want. Not because you tried to inflate their ego.

Do not send large brochures with your letter. Your web site is your brochure. Large brochures cost you a lot to print and mail and are not looked at by the US importer.

Do not use abbreviations. Using "B. Rgds" for "Best Regards" and "Tlx" for "Thank You" implies that you are lazy. No US importer wants to do business with someone who is lazy.

Don't start any of your sentences with the word "if". This gives the buyer the opportunity to say no to you. Always construct your sentences so where the only option for the buyer is "yes". For example, do not use "If you would like more information..." because it

implies that they may not want more information. Instead you should use "For more information... ". This gives them only one option: requesting more information.

Do not misspell any words or use bad grammar. Your sales letter is the only representation of your company that the buyer sees. In their eyes a poorly written sales letter means poorly produced products.

Do not make the reader hunt for your web site address. The goal of your letter is to get the prospective buyer to go to your web site for more information and hopefully to give you an order. Put your web site address in the last paragraph and also in the contact information at the top of the letter. Make it easy for the buyer to get the information he/she wants and to contact you for more details and possibly a price quote.

Do not use the word "introduce". Letters that start with "We would like to introduce ourselves" show that the exporter has no creativity. This exporter is just another in a long line of uninspiring letter writers with an uninspiring product. Letters with the word "introduce" are in fact screaming "I'm a boring sales letter!" Do not use the word "introduce" when trying to sell your products. It's an immediate turn off.

Don't use words or phrases that are considered out of date. US importers like to do business with companies that are modern and contemporary.

Do not use "To Who It May Concern" as your salutation. This phrase is used when anyone anywhere could be the recipient of the letter. It is much too vague and impersonal for a sales letter.

Your closing should be polite, not casual and not too formal. "Sincerely Yours" always works. Avoid "Faithfully Yours" as it's too formal. "Best Regards" is used by the British but considered informal by the Americans.

Common Courtesy

What do you put for a salutation if you don't know the person's name? The best choice is the title of the person you want the letter to go to. For example: *Dear Import Manager:* . or the department you want the letter to go to. For example: *Dear Accounts Payable Department:* .

Using the salutation "Dear Sir:" is considered offensive by women. Some people (including this author) use "Dear Sirs:" hoping that making it plural will include women. Some people use "Dear Sir or Ma'am". The problem here is that many people around the world do not know what a "ma'am" is. And then there is "Dear Sir or Madame:". The problem here is that a "Madame" is the name of a woman that operates a house of prostitution.

The fact is there is no correct or totally acceptable salutation in English. Try to get the person's name, title, or department and use that.

A Sales Letter for Agents (Middlemen, Representatives):

Floppy Textile Buying Agency, established in 1987, is one of the fastest growing agents in India. We currently represent a number of major European importers, such as Fe Fe LaMew Mail Order of France and others.

We are happy to announce that we are now offering this same service to American import companies like yours. From our office in New Deli, the heart of low cost and good quality ready- to-wear garments, we can supply your company with whatever kind of apparel you would like.

The wide range of Indian export companies that we work with insure you of getting just the items that you are looking for. Whether it be baby wear, children's wear, ladies and men's outer and underwear, leather wear, socks, belts, bags, shoes, or household items such as bed linen, towels, bathrobes, or table clothes we can make sure that you get the quantity you need at the best possible price. And our staff of quality controllers insures that the garments are well made.

To take advantage of the services that Floppy Textile Buying Agency has to offer your company, please log on to our web site at www.floppytextile.com, contact us by e-mail at sales@floppytextile.com, or by telephone or fax at the numbers listed above.

A Simple Proposal Letter

Dear Mr Customer:

Thank you for your interest in our company. Enclosed is the proposal that you requested.

The Model XR 17 is designed to help those companies who want to sell the latest model on the market, at the best possible price. This low-cost machine is made in Germany - the land of good quality machines.

This model sells well because the price is competitive and the technology is state-of-the-art. There is a great demand for such a machine.

We hope that you will soon join the growing list of companies that are selling our model XR 17. For more information, please visit our web site at www.modelxr17.com or contact us directly.

Sincerely yours,

Another Sales Letter:

This letter would be too “used car salesman” like for most exporters. Use it only if you are going for a more casual and informal style.

Dear Ms. Customer:

Eric Sportswear wants to help your store save up to 30% on the sportswear you buy for

resell.

We specialize in all sorts of sportswear including running suits, workout outfits, swimwear, and all the clothing that today's athlete needs. Why pay a higher price for good looking, good quality sportswear when Eric Sportswear can save you up to 30%.

As a full service exporter we can arrange for certified quality control inspections, transport to the port, and delivery right up to your door.

Visit us online at www.ericssportswear.com to see photos of the sportswear we have in stock. Our website also displays our current specials. If you want a great deal on sportswear, check out our website.

Sincerely yours,

This is a good opening paragraph if your company is unknown:

The ABC Trading Company was founded in 1986 to serve the construction industry in New York state. Since then we have expanded our market year by year to where we now have customers in 12 countries around the world.

This is a good second paragraph if you sell a product that is practical:

The machine that we sell is called the Safehouse. It turns the lights on at your house at night when you're coming home. And you can reverse the process when you leave, turning off the lights when you have locked the door, gone down the steps, and left the yard. Amazingly, the Safehouse weighs only 150 grams and fits easily in your pocket or purse.

Chapter Ten

Using E-Mail to Market And Sell

This is an introduction to marketing by e-mail. Exporters are discovering that the internet can be a fast, cost-effective, and efficient way to market and sell their products to buyers around the world.

The Internet - Where the Customers Are

E-mail can be a very effective tool for marketing your products to buyers around the world IF you know what you are doing and follow certain rules. The important word here is - **IF** -. Those who do not know what they are doing or do not follow the rules quickly get a bad reputation and rarely have successful campaigns.

A Dedicated E-Mail Address

The first thing you are going to need is a dedicated e-mail address. That is an e-mail address that has your department name, followed by the “@” symbol, followed by the web site address (URL) of your company. For example, sales@reallygoodfood.com, or export@thebestcomputers.com.

Having a free (hotmail, gmail, yahoo, vsnl, sina, etc) e-mail address is one of the worst things you can do in business. You do NOT want to use a free e-mail address. It's fine for your personal messages to friends. But free e-mail accounts used for business purposes are very, very bad for your business.

Dedicated e-mail addresses are easy to get. When you register your URL web address with the internet service provider (ISP) as mentioned above you automatically get several e-mail addresses. It is important that you have at least three basic e-mail addresses. Buyers are looking for them and if you don't have them it raises suspicion about your company.

Your e-mail address after the "@" sign will be your URL that you registered. For example if the URL is www.goldentextile.com, this company's e-mail address including the "@" sign will be export@goldentextile.com. Buyers want to know where they are sending their messages. For this reason you should be very specific about where the message is going. Goldentextile@goldentextile.com is a poor e-mail address. It does not give any indication what department the message is going to.

Every export company should have at least these three e-mail addresses:

sales@..,
export@.. ,
support@.. .

The three e-mail addresses for the company above would be sales@goldentextile.com, export@goldentextile.com, and support@goldentextile.com. By using the first two e-mail addresses the buyer knows that the message is going to the sales or export department. Having the support@goldentextile.com address tells the buyer that there is

a department that can help them if they should have a question or problem after the order arrives. Having these e-mail addresses at your company greatly improves the chances of a buyer taking your company more seriously. Not having them means that the buyer may not know how to contact you.

“Opt-in” e-mail marketing

There is a right way and a very wrong way to market your products by e-mail. First let's discuss the right way. You should always have the person's permission before you send them a sales e-mail message. NEVER send spam. The common question is "How can I ask them if I can contact them until I contact them?" Good question. Here's the answer.

Firstly, go through all the e-mails of prospective buyers that have contacted you in the past. Send each of them an e-mail asking if they would like to be on your "mailing list". Those who say yes are then put on your new opt-in e-mail list. Secondly, there are e-mail address lists that you can buy. These are e-mail addresses of companies that might be interested in your product. But you should contact them first and ask for permission to send them a sales message.

The third way to get permission to send prospective buyers an e-mail is have them "opt-in" for your list. On your web site you will announce that you have periodic announcements of your products and if the viewer wants to get on (opt in) the mailing list that they should contact you. Also add to the list the e-mail addresses of people you meet at trade fairs and got letters from. Over time, you will have a very nice list of the e-mail addresses of prospective buyers who want to hear from you.

The Promise

It is important that you understand the deal you are making with someone when you accept their e-mail address on your opt-in e-mail marketing list. You are making a promise that the messages sent to them will contain news, will be informative, will be of value. You are also promising to keep their e-mail address confidential. This list will become one of your company's most valuable marketing tools. Guard it carefully. And never, never give it to a third party.

What To Send

Now that you have a long list of e-mail addresses of people that want to hear from you, what do you do now? If you have a new product that you think the buyers might be interested in you can send a message to everyone on your list. Do not send too many messages however. One message every two or three months is enough. Less than this and they forget you. More than that and they thin you are sending too many.

Make the messages you send as interesting as possible. In addition to introducing your new product you should also include some interesting information. Buyers will read it if they think they will learn something. They may or may not read it if it is only a sales message. Opt-in e-mail marketing can be one of the most effective forms of marketing. Those who ask to be on your list and who receive personalized, informative, and educational e-mails are very responsive to your marketing.

There are two requirements for an e-mail newsletter to be successful. First, the individuals on the list must have opted in. They must have volunteered to be contacted by you. Just finding an e-mail address somewhere and putting it on the list is of no

value, In fact it is harmful as you will get the reputation of being a spammer. Second, the information you send in the newsletter must be informative and useful such as news, instructions on how to do something, announcements of new products or new techniques. Remember that it is called a NEWSletter, not a SALESletter. Making it sound too sales-y will turn the prospective customer off and they will think your newsletter is nothing more than spam.

Should you send your newsletter in HTML format or as a text message? HTML offers the advantage of looking like a web page (graphics). But there is a risk that the customer's ISP web server will flag your newsletter as spam. Sending it in text format looks pretty boring (remember telex?), but it stands a better chance of getting through spam filters and actually into the inbox of the desired recipient.

Write your messages and newsletters just like you would a sales letter. Use upper and lower case letters (not all capitals) and complete words (no abbreviations).

How often do you send a newsletter? Most are sent monthly.

Being In The E-mail Message of Someone Else

Advertising inside the newsletters and e-mail messages of other companies is one of the fastest growing segments of online marketing. Choose a newsletter in your sector whose recipients might be interested in your product. Target your market carefully to get maximum benefits. The reader clicks on your ad or your link to be taken to your web site. Other options are that clicking on your ad or link sends you an e-mail requesting more information on your product.

There is a fine line between not enough and too much e-mail marketing. Not enough and the prospective buyers do not remember your company's name. Too much and they become annoyed and feel overwhelmed. Find that middle ground that keeps your company name in front of them just enough to keep it fresh in their memory, but not too much that they are put off.

How NOT to do E-Mail Marketing (SPAM)

One thing that you do not want to do, never ever, is send a sales e-mail message to someone who has not asked for it. It is one of the worst things you can do. It's very tempting to do. You find the e-mail address of a company that might be interested in your product and you say to yourself, "I'll send them an e-mail. What do I have to lose?". The answer is that you have a lot to lose.

Sending a sales e-mail message to someone who did not ask for it called "SPAM". It is considered a very unprofessional and rude thing to do. SPAM messages are hated by everyone. It is the most offensive and at the same time least effective way to market on the internet.

Do not have a free e-mail address as your business e-mail

Having a free (hotmail, gmail, yahoo, vsnl, sina, etc) e-mail address is one of the worst things you can do in business. It's fine for your personal messages to friends. But free e-mail accounts used for business purposes are very, very bad for your business.

Having a free e-mail address like yahoo or hotmail is like using a public coin-operated pay phone for your company telephone. Using a free e-mail address says to the buyer "We are not serious enough to get our own telephone, but if you call this pay phone number located in the street near our office we will run out of the office and try to answer it." Free e-mail addresses are bad news.

1) US importers do not trust free e-mail addresses. The exporter could be the largest food exporter in that country, But if they have an e-mail address of goodfood@yahoo.com then to US importers they automatically become small. No big companies who know what they are doing use free e-mail addresses for business.

A company should use the same e-mail address as their web site. To use the example above, the web site address should be www.goodfood.com. And the e-mail address should be sales@goodfood.com or export@goodfood.com.

2) Spammers and thieves use free e-mail addresses. This is because it is so difficult to track these addresses. When a US importer gets an e-mail from a free e-mail account the first question is "Is this someone trying to cheat or scam me?"

3) Often buyers and suppliers will send confidential information by e-mail. This might include bank details, product specifications, or private trade information. If this data is sent from a dedicated e-mail address, for example buyer@foodimports.com, to a dedicated e-mail address, for example exporter@foodexports.com.cn, there is only a small possibility of this information being stolen along the way. If, however, this data is sent from a free e-mail address, for example foodimports@yahoo.com, to a free e-mail address, for example foodexports@gmail.com, there is a much larger possibility of this information being stolen along the way. This is because free e-mail messages go through multiple servers.

Do's and Do Nots of an E-Mail Message

Do make sure you have permission to send that person the message. Do make the message interesting. Do have a message at the end of the message telling the buyer what to do if he/she does not want to get your messages anymore. Do keep your e-mail message short. No one wants to read a long message. Give the highlights and direct the buyer to your web site for more details. Do answer all e-mail messages in one business day or less. Do use e-mail addresses that identify your company and the department. Examples are "export@goldentextile.com"

Don't ever, ever send SPAM. Don't use all capital letters. It looks like you are shouting or yelling and is rude. Don't use abbreviations. It's considered lazy. Buyers do not like to do business with lazy people. The question is, if this exporter is so lazy that he writes "B. Rgds" instead of "Best Regards" is he also too lazy to make a good product? Don't use free e-mail addresses. They are not trusted. Examples are goldentextile@yahoo.com. Don't make the sender guess where the e-mail is going. For example, with webmaster@goldentextile.com the message could be going anywhere in the company. Buyers like to know where the message is going. Always have specific addresses like "sales@goldentextile.com".

Don't use different colors and different font sizes on your message. It's considered childish and unprofessional. Use one size and all black. Don't use a colored background. Again, it's considered unprofessional. In addition, they can be hard to read. Always use a white background with black text.

Chapter Eleven

Designing Your Web Site To Get The Most Inquiries

A Must Have in Today's Business World

If you want to sell your product in today's business world you need a web site. Those companies without a web site are at a serious disadvantage. US importers and other buyers these days expect sellers to have a web site. Those who do not have one are looked upon as not knowing how to do business in the modern business world.

Let's look at it this way. Let's say that you called a company and asked for their fax number. They replied that they do not have a fax number because they don't use a fax machine. What would you think about this company? You would think that they were small, not serious, and didn't know how to conduct business.

And so it is with a web site. If a buyer sees that you as a seller do not have a web site your company looks small. Regardless of how big your company is if you do not have a web site then to the buyer you are small.

How to Get a Web Site

The first step in getting a web site is deciding on an address for your site (called a URL). The important point to remember here is to make the URL as easy to remember and as short as possible. Generally it is the first and second words of the company name. For example if the company name is Golden Textile and Clothing Inc., the desired URL might be www.goldentextile.com.

Don't make your URL too long. It is too hard to remember and there are too many chances to type the wrong letter and thus not be able to download the page. In the above example, www.goldentextileandclothing.com would be too long. Remember too that the name between the www. and the .com is also going to be the base for your e-mail addresses. Make sure your URL is easy to remember and not too long.

After you have chosen a URL the next step is to see if that URL is available or already taken by another company. It can be a real challenge to pick a URL that is easy to remember, not too long, AND available. Go to www.namesecure.com or www.networksolutions.com to see if the URL you chose is available. If it is available register it QUICKLY. If it is not available then you must choose a new name for your URL.

If www.goldentextile.com in the above example is taken by another company then try www.goldentex.com or www.goldentextileclothing.com. Neither of these is as good as the first choice, but you have no choice if the first choice is taken by another company.

After you have a URL that is registered the second step is to choose an internet company (called an ISP) that will host your web site. Most countries have several ISPs for companies to choose from. In the USA, for example, the best and most reliable is Earthlink (www.earthlink.net).

After you have a URL that is registered with a company like namesecure, the second step is to choose an internet company (called an ISP) that will host your web site. Most countries have several ISPs for companies to choose from. In the USA, for example, the best and most reliable is Earthlink (www.earthlink.net).

Designing Your Web Site

Step three is to design your web site. This is very, very important. A well-designed web site can make you successful. A poorly designed web site can almost guarantee your failure. Your web site does not have to be, and should not be, complex. Sites with lots of graphics and animation take too long to download.

Should you design the web page yourself or have it designed by a professional? Most companies are better off having it designed by a professional. It is important that your site look nice. Those who want to design the site themselves can use programs such as GoLive or Dreamweaver.

There are certain pieces of information on web sites that buyers are looking for. Always remember two things. First, not everyone on the internet is honest. Buyers will be looking carefully at your web site for information that indicates you are a reliable and serious exporter.

And second, the purpose of your web site is not to sell. That's your job as the seller. The functions of the web site are a) to provide information about your company and products AND b) to encourage the buyer to send you an e-mail asking for more details and a price quote. Professional web site designers understand the first part about providing information, but very often miss the second part about encouraging the buyer to send an e-mail.

It is very important that you understand that web site designers are not business people. They are artists. They do not understand business models and marketing strategies. All they understand is how to make web pages. They do not understand how to link these pages together in a way that the buyer wants to view them. In addition, web site designers often try to show off their skills with fancy web pages with lots of graphics and music and completed styles. This is not what you need. You need a simple but well designed web site that shows the buyer what you have and encourages them to contact you for more information. If designed properly, the buyer will be guided through your web site from page to page until finally they get to the "send us an e-mail" page.

The Index Page

The first page that the buyer sees when going to your site is called the "Home Page" or index page. This page should have your company name, logo, and several buttons (called links) which when clicked take viewers to other pages on your site. This is the

first impression the prospective customer has of your company. It is perhaps the second most important page of your web site (the Contact Us page is first).

It should have your company name and logo in a very easy to see place. It should have some basic information about your company - what you do, what you produce, where you are located, maybe some brief news articles. Remember, keep it brief here. The details will come later in the site.

The index page sets the mood for the entire site. If your home page is sloppy the buyer will not click on any of the links to go farther into the site. Regardless of how good your products are, if your web site is poor then to the buy your products are poor.

Do not make it too complex with fancy graphics and animation. Do not put music, unless you are selling music. Do not put pictures of your directors and managers, unless they are part of a brief news article. Modern web site design follows the KISS system. Keep it simple and short.

The About Us Page

When a prospective buyer gets your sales letter or sees your advertisement there are two questions that enter his/her mind. 1) Is this a legitimate company that is offering a product that I can buy and then resell for a profit, and 2) or is this just another scam artist trying to cheat me. It is estimated that 10% of all sales correspondence that US importers receive is from scam artist and thieves whose only intention is to rip off the importer.

This is why the second page they usually visit, the "About Us" page, is so important. On this page you must prove beyond a doubt that you are a real company with a real product. This is a very important page in convincing buyers that you are reliable and serious. Make sure that the company address is prominently listed on this page. If possible, put a picture of your main office or factory on this page. Make absolutely sure that you list your company's telephone number and fax number. Buyers want to know that if there is a problem with an order they can get in contact with you.

On your "About Us" page you should also list any organizations that you are members of. If you are a member of the local chamber of commerce you should list it here. List all professional associations that you are a member of. This is not the page to prove you have a quality product. You do this on the Quality Control pages. So do not put your ISO and other quality awards on this page.

By the time the buyer is about to leave the About Us page and go to the next page he/she must be 100% sure that you are a real and reliable company. Otherwise you have little chance of getting an order from this buyer.

The Products Page

The next page that most buyers will look at is the "Products Page". On this page or pages you should show the buyer what you offer. Give some detail - but not too much.

The goal is to have the buyer contact you by e-mail. At that point you can start the negotiating process and hopefully get the order. There is a middle area that you must find. If you don't give enough information on the products page the buyer will not be interested or will not take you serious. If you give too much information then there is no need to contact you and you have no chance to negotiate.

The Products pages should contain lots of photos. There should not be any prices on any of the pages. You do not want the competition to know what your prices are. And if you give the prospective buyer all the information then there is little incentive to contact you to start the negotiating process.

If you have multiple products make sure they are grouped together in sectors. And make sure each photo has the product name or inventory number so that the buyer can ask for a price for that product. Make sure the pages of the products page link well together so that the buyer can compare a product on one page and another on a different page.

Add specification text to each photo as necessary. But avoid hype. The photos and specs should sell themselves. Phrases like "Our Best Seller" are useful for the buyer. But hype phrases such as "You can't afford not to buy this model!!" only clutter the page and add little.

And on each Product Page make sure there is a very easy to find link that will allow the prospective buyer to send you an e-mail asking for more details, a price quote, or for specifications. This is the whole point of the web site - getting sales inquiries. It makes no sense to have a web site and then hide your e-mail address. But companies do it all the time trying to keep the e-mail address away from SPAMMERS. Don't worry about spammers; they have their own place in hell. You have to get your e-mail address out there so prospective buyers can find it easily and contact you for more information. Without that contact you are left with nothing.

The Quality Control Page

Once the prospective buyer has looked at your products the next page he/she wants to see is your "Quality Control" page. It is VERY important that you have a quality control page on your site and that it contains at least the next three items.

- 1) Show a close up picture of a quality control employee who is carefully examining one of your products. Buyers like to see that products are carefully inspected after production.
- 2) Include a picture of the quality control department as a whole. There should be several employees looking at products that have just been produced.
- 3) And thirdly, have a close-up photo of your Quality Control Manager and his/her name listed under it. Buyers want to see that if there is a quality problem with an order that there is a person with whom they can talk.

Quality control is especially important for sectors like food, pharmaceuticals, chemicals, and medical equipment. US importers want to be shown on the Quality Control pages that your products meets or exceeds industry standards. If you have any quality awards (ISO, etc) this is the page you put them on.

The Quality Control page is one of the most important, yet most neglected pages, of your web site. Make sure that it adequately shows how much you are about quality and that the products you produce are of high quality. Otherwise, you are going to lose a lot of potential orders.

The Contact Us Page

After the prospective buyer has seen your "home page", been convinced that you are a genuine company by looking at your "About Us" page, examined your products on your "Products Page", been assured that quality is a priority for you by reading your "Quality Control" page, then comes the most important page. Unfortunately, most web sites miss this point and lose many orders.

The last page you want the prospective buyer to view is the "E-mail Us" page or "Contact Us" page. You want this person to send you an e-mail which says something like "Give us your best price for ...". Once you have this e-mail message then you can start the negotiating process which will, hopefully, lead to an order.

Make it easy for the buyer to e-mail you. Put "Contact Us" or "E-mail Us" buttons on every page of your web site. The goal is to get that initial e-mail message. Without it your web site is just information.

After your web site is designed the way you like it, you must upload it onto the servers of the ISP you have chosen. And suddenly there you are – accessible to the world. But how do prospective buyers find you among millions of other URL addresses? Several ways are discussed later. But for now let's talk about search engines. Search engines (Yahoo, Google, AltaVista, HotBot, Lycos, and many, many more) are web sites that people go to when they are looking for specific information. You should register your URL with as many search engines as you can. Some charge money for registration (like Yahoo). Others are free.

The important things to remember are if you don't have a web site, get one. You are at a SERIOUS disadvantage if you don't. If you have one check it to make sure it guides the buyer through the steps mentioned above. Make sure your web site looks nice but is not heavy with too many graphics and animation that make it slow to download. Do not have music on your site, unless of course if you are selling music. When asking a prospective buyer to contact you by e-mail to ask for a price quote or other information, give them your e-mail address so that they can send you an e-mail message, Do not give them a form they have to fill out with lots of information and then click on a SUBMIT button. Remember, use the KISS system. Keep it simple and short.

Chapter Twelve

Selling at Trade Fairs

Trade fairs (also called trade shows, exhibitions) allow sellers (exhibitors) to set up booths and show their products to buyers (attendees or participants). They can be very good for making face-to-face contacts which is so important in many countries of the world. Trade fairs can help you find buyers and see what a country is really like and how to do business there.

The cost of renting a booth at a trade fair, airfare for those who will work at the booth, and other expenses can be quite high. To make sure that you get the most for your money you should make sure what it is that you want from this fair and have a clear strategy on how to get it. You should also realize that trade fairs have limitations. You may not be able to show your entire line of products. And while you will meet a lot of prospective buyers face to face, you may not be able to spend the time you would like to get to know them and see what their individual needs are. In the noise and hustle serious discussions and detailed negotiations can be difficult.

The most common type of trade fair is “sector specific”, meaning that only one type or group of products are shown, for example apparel and accessories, shoes and footwear, or computers and allied products. Trade fairs are a very good way to see the products available from a large number of suppliers.

One of the most important aspects of doing business at trade fairs is picking the right one for you and for your products. Be sure to read the fair brochure carefully. Pay special attention to: Who should attend this fair. Who is the intended audience? Is the fair for the public or only for trade professionals? Is your competition there? It is really a bad feeling to pay a lot of money for a booth, travel to another country, and then find out that fair is not the right one for you.

There are three reasons you as a supplier go to trade fairs:

- 1) to sell your products
- 2) to get feed back on your products from buyers
- 3) to see what other suppliers at the fair are offering

To Sell

The biggest reason to exhibit at a trade show is to make sales. There are two important points to remember. The first is that you cannot talk to everyone that comes into your booth. Limit your time to those that are serious customers. Avoid the merely curious. And secondly depending on the sector not a high percentage of sales are made at the trade fair itself. Generally speaking, the majority of sales are made after the trade fair in follow up sales.

US importers use trade fairs as places to see what's available and who's selling them. The crowded, busy, hectic, and noisy nature of trade fairs do not offer a good environment for discussing orders and negotiating terms. This is done after the fair in follow up sales.

One of the biggest challenges that trade fair exhibitors have is determining who is a serious buyer and who is just curious. It is extremely important that the exhibitor spend time with those that have the potential to give an order and ignore those that have bigger eyes than intentions. There are several ways to do this:

- 1) Put the most interesting items you have to sell at the BACK of the booth. Those that are serious will come in and go to the back of the booth to see it. Those that are just curious will look from the outside.
- 2) Listen to the questions of the person in your booth. Questions concerning quality certifications, bulk order discounts, how long you've been in business, and delivery/payment terms show a serious buyer. Questions concerning what it does and sentences like "That's cool" show person that's just walking around.
- 3) Serious buyers are more likely to pick the product up or to touch it. The curious will generally just look at it. They usually do not touch it because they are not really interested in it and perhaps may not even know what it is.

The problem is that once the buyer returns to the office he/she has a stack of brochures from the fair. The buyer rarely remembers which brochure came from which booth. The key here is to keep the buyer in your booth for as long as you can. The longer the buyer is in your booth the greater the chances he/she will remember your booth. And if they remember your booth there is a great chance they will give you an order when you send your follow up sales letter.

Exchanging Business Cards

Trade fair attendees are reluctant to give out business cards except to those suppliers that they are most interested in. Attendees may visit dozens of booths at a fair and giving a business card to each booth is not practical. How can you make sure that you get their business card? How can you make sure the attendee is impressed with your booth, and remembers you later when you contact him/her for follow-up?

Do not give a visitor any brochures or cards as they walk in. You want them to look at your merchandise, not at a piece of paper. The time to give your brochure and other material is on their way OUT, just at the time you ask them for their business card. If you have the time turn their business card over and write a brief memo about that person. How well did they speak English or another language? How serious did they appear? What specifically were they interested in? This will help you greatly when you return to the office and do your follow up.

US importers like to have "space". Do not get too close. Keep a little distance. Never get right up in the face of a prospective buyer. It makes them very uncomfortable.

Make sure that you as the booth host are wearing a large nametag that gives you name and the company name. In a crowded booth it can be difficult for the prospective buyer to know who the host is. Make it very clear who you are and yourself available to answer questions.

To Get Feedback

It is possible to have a marketing research company determine if your product would sell in a particular country. But you will save yourself a lot of money by doing it yourself

at a trade fair. Attendees will tell you face to face what they think of a product. You can tell what they think by the questions they ask.

To See The Competition

The market changes very rapidly. New products come out. Customer desires change. It is important as a supplier that you keep up with these changes. A great way to do this is at a trade fair. This doesn't mean stealing other companies' ideas. It does mean walking around and trying to get a feel of where your sector is going. What's hot, what's not.

Staffing The Booth

One of the most important things you can do to make sure your booth at a trade show is a success is to pick the very best people to staff the exhibit. If you don't speak the language of the country that the fair is in you should contact the fair organizer and arrange for an interpreter.

After Fair Follow-Up

Another important point is to make as many contacts as you can. Get as many business cards as you can. Most buyers will give you their orders after the fair. When you get back to your office send an e-mail or letter to people that gave you a business card thanking them for visiting your booth and asking what information they need to place an order with you.

Send out your press releases to all of your press/media contacts. Make sure the press release is news, not just a marketing article.

Before You Go

It is always good to try to speak to someone who has already exhibited at this fair. Perhaps this is a competitor or someone else you know in the sector. Making your airline and hotel reservations well in advance may save you money and will ensure you get there on time and have a place to stay. The flights to and the hotels at the largest trade fairs fill up fast. If you will need an interpreter make sure you do that before the fair. The fair organizer can help. Some exporters try to get women who are not wearing much clothing as interpreters. This is bad business etiquette. You are selling the products, not the woman. Having such a woman distracts from your product.

When You Get Back

Every trade fair is a learning experience. Within the first week (maximum two weeks) after the fair write down what happened. First write what went well, what you would like to do again. Then write down what went wrong or could have been done better, and what you would like to do next fair to make it better. This is very important because a few weeks after the event we tend to forget. Before attending the next fair take this report and read it. This will prevent you from making the same mistakes again. Do not rely on memory. People forget. And you may not be the person that organizes the next fair. Have the report for the next person.

Chapter Thirteen

Using B2B Portal Websites

More and more importers in the US and around the world are using B2B (business to business) portal websites to look for and buy their products. The percentage of all goods purchased from foreign exporters by American importers through B2B websites increases and decreases according to the global business climate. But one thing is for sure, these sites play a very important role in how US importers find suppliers.

What They Are

B2B portal websites are online business information exchange websites where the seller or buyer can search or post information to attract potential trade partners. Some of these websites can be used free of charge, other sites you must pay a small monthly fee. On this CD there is a List of the Top 152 B2B Websites Used by Importers in the US and Worldwide to Buy Their Products. We asked importers in the US and several other countries what B2B websites they used to buy their products. Their top choices are on this list.

Soon the majority of all international buying will be done over the internet. Using B2B websites is easy, quick, effective, and the costs are very low.

How They Work

For Sellers: You can search for buyers on the B2B sites by doing the following:

1. Register with that site. Some sites are free, others charge a fee.
2. Put your information into your profile, including products you have to sell.
3. Click on the button that will find buyers for the products you entered.

A list of buyers for the products that you have listed will come on your computer screen. These are buyers who have also registered with the same site. To send your quotation to any of the buyers on the list, click on the button that says "Contact". A message will be sent to that buyer notifying them that you have the product they are looking for and would like to discuss the possibility of doing business together.

You can find buyers and importers that are ready to buy in two ways:

- In the "To Sell" section of these websites you can list your company name and product. Buyers who also visit this same website will see your listing and will contact you if they are interested.

- In the "To Buy" section of these websites buyers around the world have indicated what products they want to buy. You look over these lists to see if you sell or can sell any products on the lists. If you can you contact the buyer and make a proposal.

For Buyers: If you are interested in buying products, the process is similar.

1. Register with that site.
2. Put your information into your profile, including products you want to buy.
3. Click on the button that will find suppliers for the products you entered.

A list of suppliers for the products that you have listed will come on your computer screen. These are suppliers who have also registered with the same site. To send your request for a quotation to any of the suppliers on the list, click on the button that says "Contact". A message will be sent to that suppliers notifying them that you are looking for the product they have and would like to discuss the possibility of doing business together.

You can find suppliers and exporters that are ready to buy in two ways:

- In the "To Buy" section of these websites you can list your company name and product. Suppliers who also visit this same website will see your listing and will contact you if they are interested.
- In the "To Sell" section of these websites sellers around the world have indicated what products they want to sell. You look over these lists to see if you care interested in buying any products on the lists. If you can you contact the supplier and make a proposal.

Learning To Use B2B Portal Web Sites

Sellers can do very well finding and selling to buyers on B2B sites. But you have to know what you are doing. Do business with the wrong buyer or not know an important step and it can cost you dearly.

It is strongly recommended that you start with the free sites. Buyers and sellers to learn how B2B sites work frequently use these sites. The goal is not to do business or get an order, but to learn. Alibaba is a good site to learn on. Go to alibaba.com, register your company, list the products you have to sell, see if you get any replies from prospective buyers and get a feel for who the system works.

A note on "free" B2B web sites. When you log onto a site that says it is "free" check to see if there is advertising on the site. If there is then there is a greater chance that it is in fact free. If however, there is not much advertising you should be suspicious. Someone had to pay for this site. And if it is not advertising, then it is probably going to be you.

After some time when you are ready, and ONLY when you are ready, you can move to the fee based B2B sites. These sites are very serious. Orders can be very large. Do not attempt to do business on fee-based sites until you are comfortable with how the system works.

Many US importers consider worldbid to be the best, or one of the best, fee-based B2B portal web sites on the internet. Log on to worldbid.com, register your company, give your credit card information (a monthly fee is deducted), and go the "To Sell" section and enter the products you want to sell. Buyers who are also registered with Worldbid and who are interested in buying the products you have listed for sale will contact you. Another great way to find buyers is to go to the "To Buy" section and do a search for the

products you are offering. Buyers who are looking to buy your products will come on your screen. Contact each of them and indicate that you have the product they desire and ask if they would like a price quote.

The Disadvantages of B2B websites

There are some serious disadvantages to B2B portal websites that every sell and buyer should know. The advantages, disadvantages and what special precautions should be taken are discussed in detail in the **Guide to Successful Marketing and Selling To US Importers**.

For one, there is no face-to-face contact that is so important for buyers and sellers. There is something about knowing the person that is selling you the product or is buying your product. This is lost in B2B transactions.

In addition the level of fraud, theft and scams is higher when doing business on B2B web sites. Most of the companies buying and selling on B2B portal web sites are honest and sincere about doing business. But there are those “companies” on B2B sites that are there purely to cheat others. Buyers and sellers must use much more cautious with a supplier or customer that they meet on a B2B site than someone that they might have met at a trade show.

Some US importers give very large orders on B2B portal web sites. You should accept such large orders only if you have gotten to know the buyer (or checked them out thoroughly) and if you can fill such a large order. There are exporters who have accepted large orders, borrowed money for raw materials for the order, started to produce the order and then find out that the order is cancelled. The seller is left with a large order of products that no one else wants and a huge debt to repay.

Chapter Fourteen

Helping Your Buyer Get The Shipment Through US Customs

You the exporter are 1) responsible to pack the shipment in such a way as to make it easy for US Customs (now called Customs and Border Protection, or BSP) to examine the shipment. You are also 2) responsible for making sure that all documents are correctly filled out. Obeying these two requirements will help to insure that you keep that customer for many orders in future. Failing to obey these requirements will almost certainly mean that the importer will be looking for another supplier for the next order.

In almost all cases the importer is responsible for getting the goods through US Customs and into the country. Most importers hire a customs broker to deal with Customs entry and clearance procedures. However, in order to get the goods through Customs the exporter must have followed the importer's instructions as outlines in the sale contract (labeling etc). In addition, the exporter must supply proper documentation. Without this documentation the importer cannot get the goods out of Customs. In many cases the receiving of the specified and properly filled out documents is a requirement for payment.

Clearing a shipment through US Customs is much more than going to the Customs House, finding your shipment, submitting the documents, paying the duty, and then taking your shipment with you. It is not necessary that you as the exporter know all there is to know about US customs. That is what customs agents are for. But it is important that you have a basic understanding of how goods are cleared into the US so that you can help the importer make the process as smooth as possible.

How To Help Your Buyer Get The Shipment Through US Customs Faster

1. Include all information required on your customs invoices.
2. Prepare your invoices carefully. Type them clearly. Allow sufficient space between lines. Keep the data within each column.
3. Make sure that your invoices contain the information that would be shown on a well-prepared packing list.
4. Mark and number each package so it can be identified with the corresponding marks and numbers appearing on your invoice.
5. Show a detailed description on your invoice of each item of merchandise contained in each individual package.
6. Mark your goods legibly and in full sight with the country of origin (unless they are specifically exempted from country-of-origin marking requirements), and with such other marking as is required by the marking laws of the United States.
7. Obey the provisions of any special laws of the United States that may apply to your goods. This is especially important for food, drugs, cosmetics, alcoholic beverages, radioactive materials, and others.

8. Follow the instructions closely regarding invoicing, packaging, marking, labeling, etc., sent to you by your buyer in the United States. He/she has probably made a careful check of the requirements that will have to be met when the shipment arrives.
9. Work with US Customs to develop packing standards for your commodities.
10. Establish sound security procedures at your facility and while transporting your goods for shipment. Do not give narcotics smugglers the opportunity to introduce narcotics into your shipment.
11. Use a shipping carrier that participates in the Automated Manifest System (AMS).
12. Encourage the importer to use a licensed customs broker that participates in the Automated Broker Interface (ABI).

The Process of Entering Goods Into The USA

When a shipment reaches the US, the importer (or his/her customs broker) will file entry documents for the goods with the port director at the goods' port of entry. Imported goods are not legally entered until 1) after the shipment has arrived within the port of entry, 2) delivery of the merchandise has been authorized by US Customs, and 3) estimated duties have been paid. It is the importer's responsibility to arrange for examination and release of the goods.

Goods may be entered for 1) consumption, 2) entered for warehouse at the port of arrival, or 3) they may be transported in-bond to another port of entry and entered there under the same conditions as at the port of arrival. Arrangements for transporting the merchandise in-bond to an in-land port may be made by the importer or his/her designated broker or agent. Unless the merchandise arrives directly at the port where it is to be entered, there may be additional fees by the carrier for transportation to that port. Under some circumstances, the shipment may be released through a local port of entry, even if they arrive at a different U.S. port from a foreign country. Prior to the goods' arrival, arrangements for entry must be made at the US Customs port of entry where it is intended to file your duties and documentation.

Evidence Of Right To Make Entry

A shipment may only be entered by the owner, purchaser, or a licensed customs broker. When the goods are consigned "to order," the bill of lading, properly endorsed by the consignor, may serve as evidence of the right to make entry. If the shipment is arriving by air an air waybill may be used for merchandise.

In most instances, entry is made by a person or firm certified by the carrier bringing the goods to the port of entry. This entity (i.e., the person or firm certified) is considered the "owner" of the goods for customs purposes. The document issued by the carrier for this purpose is known as a "Carrier's Certificate." In some cases, entry may be made by means of a duplicate bill of lading or a shipping receipt.

When the goods are not imported by a common carrier, possession of the goods by the importer at the time of arrival shall be deemed sufficient evidence of the right to make entry.

Entry For Consumption

Entering goods is a two-part process: 1) filing the documents necessary to determine whether merchandise may be released from US Customs custody, and 2) filing the documents that contain information for duty assessment and statistical purposes. Both of these processes can be accomplished electronically via the Automated Broker Interface (ABI) program of the Automated Commercial System (ACS).

Entry Documents

Entry documents must be filed within 15 calendar days of the date that a shipment arrives at a U.S. port of entry. If the goods are to be released from US Customs custody at the time of entry, an entry summary for consumption must be filed and estimated duties deposited at the port of entry within 10 working days of the goods' entry.

These documents are:

- Entry Manifest (CBP Form 7533) or Application and Special Permit for Immediate Delivery (CBP Form 3461) or other form of merchandise release required by the port director,
- Evidence of right to make entry,
- Commercial invoice
- Packing lists, if appropriate,
- Other documents necessary to determine merchandise admissibility.

Frequent Errors In Invoicing

Exporters must be very careful in preparing invoices and other documents used to enter goods into the US. Doing so will avoid difficulties, delays, or possibly even criminal penalties. Each document must contain all information required by law or regulations, and every statement of fact contained in the documents must be true and accurate. Any inaccurate or misleading statement of fact in a document presented to a CBP US Customs officer in connection with an entry, or the omission from the document of required information, may result in delays in merchandise release, the detention of the goods, or a claim against the importer for domestic value.

Even though the inaccuracy or omission was unintentional, the importer may be required to establish that he exercised due diligence and was not negligent, in order to avoid penalties and delays in obtaining possession of goods and closing the transaction.

It is particularly important that all statements relating to merchandise description, price or value, and amounts of discounts, charges, and commissions be truthfully and accurately set forth. It is also important that the invoices set forth the true name of the actual seller and purchaser of the goods, in the case of purchased goods, or the true name of the actual consignor and consignee when the goods are shipped otherwise

than in pursuance of a purchase. It is important, too, that the invoice otherwise show the real nature of the transaction in which the goods were shipped to the United States.

The important thing for the exporter to understand is that both the exporter and the importer must furnish CBP US Customs officers with all necessary information concerning each import transaction to assist CBP officers in determining the tariff status of the goods.

Examples of omissions and inaccuracies to be avoided are:

- Invoice descriptions are vague, listing only parts of numbers, truncated or coded descriptions, or lumping various articles together as one when several distinct items are included.
- The exporter assumes that a commission, royalty, or other charge against the goods is a so-called “nondutiable” item and omits it from the invoice.
- An exporter who purchases goods and sells them to a United States importer at a delivered price shows on the invoice the cost of the goods to the exporter instead of the delivered price.
- An exporter manufactures goods partly with the use of materials supplied by the United States importer, but invoices the goods at the actual cost to the manufacturer without including the value of the materials supplied by the importer.
- The exporter ships replacement goods to the customer in the US and invoices the goods at the net price without showing the full price less the allowance for defective goods previously shipped and returned.
- An exporter who sells goods at list price, less a discount, invoices them at the net price, and fails to show the discount.
- An exporter sells goods at a delivered price but invoices them at a price f.o.b. the place of shipment and omits the subsequent charges.
- An exporter indicates in the invoice that the importer is the purchaser, whereas that person is in fact either an agent who is receiving a commission for selling the goods or a party who will receive part of the proceeds of the sale of the goods sold for the joint account of the shipper and consignee.

Immediate Delivery

An alternate procedure that provides for immediate release of a shipment may be used in some cases by applying for a special permit for immediate delivery on CBP US Customs Form 3461 prior to arrival of the goods. Carriers participating in the Automated Manifest System can receive conditional release authorizations after leaving the foreign country and up to five days before landing in the United States. If the application is approved, the shipment will be released quickly after it arrives. An entry summary must then be filed, either on paper or electronically, and estimated duties deposited within 10 working days of release. Immediate-delivery release using Form 3461 is limited to the following types of merchandise:

- Merchandise arriving from Canada or Mexico, if the port director approves it and an appropriate bond is on file,

- Fresh fruits and vegetables for human consumption arriving from Canada or Mexico and removed from the area immediately contiguous to the border and placed within the importer's premises within the port of importation,
- Shipments consigned to or for the account of any agency or officer of the U.S. government,
- Articles for a trade fair,
- Tariff-rate quota merchandise and, under certain circumstances, merchandise subject to an absolute quota. Absolute-quota items require a formal entry at all times,
- In very limited circumstances, merchandise released from warehouse followed within 10 working days by a warehouse withdrawal for consumption,
- Merchandise specifically authorized by CBP (US Customs) Headquarters to be entitled to release for immediate delivery.

Entry For Warehouse

If the importer would like to postpone release of the goods, they may be placed in a US Customs bonded warehouse under a warehouse entry. The goods may remain in the bonded warehouse up to five years from the date of importation. At any time during that period, warehoused goods may be re-exported without paying duty, or they may be withdrawn for consumption upon paying duty at the duty rate in effect on the date of withdrawal. If the goods are destroyed under US Customs supervision, no duty is payable.

While the goods are in the bonded warehouse, they may, under CBP supervision, be cleaned, sorted, repacked, or otherwise changed by processes that do not amount to manufacturing. After changing, and within the warehousing period, the goods may be exported back to the exporter without the payment of duty. Or they may be released to the importer for consumption. Payment of duty at the rate applicable to the goods in their new condition at the time of withdrawal must be made.

Perishable goods, explosive substances, or prohibited importations may not be placed in a bonded warehouse. Certain restricted articles, though not allowed release from custody, may be warehoused.

Informal Entry

Informal entry can be used for most imports valued at \$2,000 or less (if the goods are not included under a quota and a few other exceptions). Informal entry is a short customs clearance procedure of shipments of small value. US importers generally do not use it because the shipment amount is almost always over the limit of \$2,000.

Formal Entry

Formal entry is applied to all shipments \$2,000 or more in value. It also applies to call shipments where the goods are under quota. A licensed Customer Broker should be used clear all formal entry shipments. The paper work for a formal entry is much more

complex than for an informal entry. The US Customs office might help you fill out the paper work for an informal entry, but not so with a formal entry.

Usually a Customs Broker can submit the necessary entry documents electronically by way of the Automated Broker Interface system (ABI) before the shipment has actually arrived. In order to do this the broker will need the following:

- The carrier's bill of lading
- Packing slips
- The importer's Employer Identification Number (EIN)
- A power of attorney
- Invoices.

Not only can the customs broker get your shipment through US Customs, but he/she can also arrange to have the shipment delivered to your door. the subject of how to clear goods through US Customs. It is not a complete guide. For more detailed information please consult a customs broker or other professional.