

THE RULES OF IMPORT AND EXPORT WITH EUROPE



Erasmus+

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What Is Trade?



○ **Trade** can be defined as all of the purchase and sale activities that enable the goods and services to be delivered to end users for a certain fee. Generally, trade is divided into domestic and foreign trade. Foreign trade is about the flow of goods and capital outside national borders.



What Is Exporting and E- Exporting?



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- **Exporting** is the practice of sending or carrying goods or services to a foreign country for trade or sale.
- **E-exporting** is the practice of receiving and processing orders online from customers located in foreign countries.



1- WHY START A FOREIGN TRADE?



- You are operating a small or medium-sized business in Aksaray. You have done the hard work to establish an online presence. You can even accept orders and ship your product to your customers.
- One day you receive an order from somewhere outside of Spain. Now what? What do you need to know about exporting in order to meet your customers' needs and protect yourself? Or, perhaps you have heard about the opportunities to sell your product in other countries and would like to know what you have to do.

○ *There is no doubt that international business is a potentially lucrative area for many businesses. Consider the number of potential customers waiting to hear about your product around the world.*

EXPORTING BASICS

For most business owners, establishing yourself in a foreign market is complex and time-consuming. However, for the e-business savvy business person, no matter the size of the company, doing business internationally can be easy and relatively straightforward. While you won't have to worry about issues related to marketing and distributing your product in foreign markets, you will still have to deal with issues related to shipping, customs, electronic contracts and transactions.

EXPORTING BASICS

HOW CAN YOU USE THE INTERNET TO EXPORT?



The Internet offers some advantages over traditional exporting approaches. Not only can you reach a huge number of potential customers from around the globe without needing to establish a physical presence in other countries, but you can also:

- **Customize your product or service offering based on customer location** – By offering special links on your website, you can localize and personalize your website for different markets (e.g. provide website information in the language and currency of the market you are serving).
- **Offer electronic customer support** – You can offer customer support either through a Frequently Asked Questions (FAQ) list available on your website, or through e-mail powered assistance, as opposed to operating a costly and time consuming 1-800 number.
- **Clearly communicate the features and benefits of your product or service** – Your website is the ideal vehicle to market your product or service to others. Using pictures, product descriptions, technical details, customer testimonials and even videos, you control what your customers see and learn about you and your product. Also, your website is a great platform to communicate information about how your product meets international standards and the policies (e.g., pricing, shipping, and return policies) your company embraces.

○ **Promote your company** – Many customers are interested in not only product specifications, but also information about the company with which they will be doing business. The Internet allows you the opportunity to tell potential customers more about your company's history, staff, location, partners, and so on.

○ **Facilitate communication with your customers** – E-mail is a convenient way to communicate with your international customers. You can respond to questions instantly, notify your customers of their product shipment status, and send them your latest news or information on special offerings.



Here are some other important points to take into consideration;

- To be successful globally, you must have credibility. Even if you are a small company, you must present yourself as a reliable and sound partner in the international arena. Even small touches have a positive effect on your image. For example, you can add +90 to the phone number on your website. Whichever country you want to export to, put its language option on your web site. Review your website design and logo. Be sure to include your job, company name and other information in your mailings. Human relations and the trust you give to the other party is a more important and decisive factor than the price which was offered in export.
- Talk to the people and institutions. The Under secretariat of Foreign Trade provides assistance to companies wishing to import-export. Also, try to contact with the people who import-export similar products in your city. You can get information about foreign trade legislation from chambers of commerce, TOBB, Under secretariat of Foreign Trade. Furthermore, you can get information about the necessary documents and cargo and payment from these organizations.



2- ENTER THE ONLINE MARKETING

- **An institutional website is a must for those who are interested in foreign trade.** Your potential customers visit your website first to collect information about you 99% likely. That's why; you should have a professional website. You must define the general characteristics of the product on your website.
- **You can use some platforms to start e-exporting.** The most practical way to open cross-border markets with the products you have at hand is the e-export platforms that allow you to make international sales. From this point, e-export, which differs from classical export, is the most practical way to sell from company to individual customer. Commonly used platforms are as follows: Amazon, E-Bay, Etsy, Alibaba, Aliexpress ...



If you have your own website, consider the following tips for using the Internet that can help you with e-exporting.

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Tips

Website

A high quality website projects a positive image

Details



A website that is high-quality projects a positive image for potential customers and other partners. Unlike domestic customers, foreign customers find it difficult to verify your company's credibility through traditional methods. Your website may be the only opportunity you have to convince foreign customers that your business is capable of delivering a quality product.

Product Information

Make sure information about your product or service is tailored to your specific markets

Similarly, your website is an ideal source of information about your product(s). You might find it useful to provide tailored information for your international customers, and in multiple languages where appropriate. Perhaps a separate webpage linked to the main page dedicated to the products you have available for export.

Research

Learn about your customers and their preferences

You can learn a lot about your potential customers and international partners by researching them online. You can find out their preferences, your competition and potential distributorships.

Inquiries

Make it easy for customers to ask you questions

You can also use the Internet to talk to your customers and respond to their questions. By including an e-mail address or “Contact Us” link on your website, customers can readily contact you.



Timeliness of Response

Be sure you can respond to inquiries in a timely manner

If you are going to provide your contact information, be sure you can respond to inquiries in a timely manner. If you aren't able to respond to inquiries within 24 hours, don't invite e-mail inquiries. Slow response can seriously hamper your sales efforts.

3- WHILE SHIPPING A CARGO,YOU SHOULD PAY ATTENTION THESE ISSUES:

Once you have made a sale, you need to get your product to your customer. The international shipping process can be complicated at best. Shipping can be broken down as follows:

- To keep cargo cost at minimum,
- To provide the security of the package at maximum.
- **Packing** – Since your product will change hands several times throughout the entire exporting process, you need to make sure it is adequately packed, so that it will arrive at the destination safe and undamaged.
- **Labelling** – Proper labelling ensures that your merchandise is handled properly and gets to where it is going in a timely manner.
- **Documentation** –The export process requires certain documents to accompany your shipment as it travels to its ultimate destination in a foreign country.
- **Insurance** – By insuring the merchandise you ship, you are protecting your investment against damage, loss, theft, and even delay.

To ease the burden of shipping products abroad, you can call upon the assistance of freight forwarders and customs brokers, as described below;



- You have to pay maximum attention to the safety of the products to be exported.
- For export cargo transactions, the cost of shipment should not exceed 7500 euros and the shipment weight should not exceed 150 kg. Shipments of this nature are not subject to customs consultancy services and are sent by ETGB (Electronic Trade Customs Declaration) and e-export cargo companies.
- Cargo firms that rendering e-export services in Turkey are: DHL, Ups, FedEx, Aras, TNT, MNG Cargo, PTT, Yurtiçi Cargo etc.

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4- PREPARE A MARKETING PLAN

In traditional exporting, an export plan is key to help you:

- Identify potential markets to target your exports;
- Identify potential barriers to entry and other information that will help you plan your exporting endeavour;
- Identify distribution channels, partners and routes to market; and
- Create a realistic marketing budget (including, for example, commissioned market research, overseas travel, trade events, ensure marketing collateral, translation services and product customization).



Certainly, if you are being proactive and thinking about actively marketing your product in foreign markets, an export plan is a definite must. However, if you are simply responding to orders from customers located outside of Spain, your needs will be different.

Every marketing plan must include these:

- Oa. Market research.
- Ob. Market targets.
- Oc. Marketing strategy.
- Od. Course of action.



So, you must determine how you can make your targets true, what you need to reach your target before entering a market, how the condition of the market is now, and what you expect it to be in the future.

MODIFY YOUR PRODUCT FOR FOREIGN MARKETS

- Before entering a **foreign market**, you need to be sure your product is suitable in its current form. You need to consider both the tastes and preferences in your foreign markets, as well as the specific foreign regulations that apply to your product. Note that these will vary by country, so you may have to limit the foreign markets where you sell your product.
- Tip: When considering exporting, don't move too quickly. Consider “test driving” your product in one or two foreign markets. This would help you identify unanticipated factors that may hinder product acceptance and also determine how viable exporting is for your business.



Some examples of product characteristics you may have to change include:

- **The name of the product** (there are many stories of businesses that have launched products in foreign markets, only to discover that the product name has a negative connotation in the local language).
- **Labelling** (such as changing size measurements to the Metric or Imperial system, for example, or providing instructions in several languages).
- **The product itself** (for example, to meet local standards, to ensure compatibility with the local electrical power system).

Your export plan must include these:

- a. Analysis of getting ready for export
- b. Market research
- c. Developing product
- d. Trade and custom arrangements
- e. Export strategy
- f. Tariffing
- g. Payment and Cargo of means
- h. Logistic and Distribution
- i. Financing
- j. After sale strategy
- k. Export Vision
- l. Application plan

4- DETERMINE A PRICE

○ Buyer of the product thinks the quality of the product before its price. For this reason, pricing is important. Your aim is to being able to sell maximum product with maximum margin of profit.



5- DEVELOP A SPECIAL PLAN FOR URGENT SITUATIONS

○ Delays, damages, quality complaints, theft, and non-payment may be seen from time to time in international trade. Make a solution plan for such problems.



7- HAVE PROCESS AND ANSWERING RULES

- Reply your e-mails at the latest within 48 hours. You should understand realistic and unrealistic demands. In a realistic product request, which product and how many is wanted is written. A serious buyer doesn't send an mail non-exhaustively.



8- DO NOT DEFECT YOUR SERVICE

Every service can be considered successful if it meets the following conditions:

- a. Information
- b. Rapidity
- c. Sincerity
- d. Problem solving

If you exceed expectations, you will get more customer loyalty.



In the traditional export method, the operators must first search, find and cooperate with the distributors or companies that they can cooperate in the relevant markets. In addition, even if they find the specified companies, they will endure operational processes like opening an export declaration in the export process, organizing their packing lists, etc. On the other hand, they are obliged to pay additional costs for each declaration filed in customs clearance. Therefore, while many burdens fall on businesses both in terms of operation and cost, you cannot bear such costs in e-export. That is, since you will work with logistics companies that have obtained an Electronic Commerce Customs Declaration license, the process will be carried out by the logistics company regarding all the above-mentioned transactions. Therefore, you will implement your micro export very easily and quickly.

BENEFITS OF EXPORTING

- Increased sales and increased profitability
- Reduced reliance on domestic markets due to market diversification
- New opportunities for growth
- Economies of scale (the more you produce, the less each unit costs to make)
- Use of excess capacity (through increased sales)
- Rejuvenated sales of existing products
- Reduced vulnerability to seasonal fluctuations in the market for your product
- Enhanced domestic reputation
- Increased awareness of possible foreign competitors



RISKS OF E-EXPORTING



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Risks of E-Exporting

Financial risk: Inadequate financing to get your product ready to sell in foreign markets; taking on short-term debt to cover new operational and administrative costs while you wait for revenues.

Mitigation Strategies

- You can access financial assistance from banks and credit unions, and local agencies (e.g. Community Business Development Corporations) to offset your costs related to exporting.
- Pre-shipment, post-shipment, medium-term, and project financing are all available forms of export financing.

Risk of non-payment (e.g., accepting payment by open account, credit card fraud).

- Conduct a credit check before signing a contract.
- Buy accounts receivable insurance from the Export Development Corporation (EDC).
- Use alternate payment methods (cash in advance, letter of credit, documentary collection).
- Only accept credit card payments for relatively small amounts.
- Hire a lawyer or collection agency to pursue payment.



Foreign exchange rate risk:
Fluctuations in the value of the Turkish Lira relative to the currency of other countries can affect export profits either positively or negatively.

- Forward contracts – In these contracts, you agree to sell a fixed amount of currency to a commercial bank, at a fixed price, at some future date.
- Exposure netting – In this strategy, you match the currency inflows of the country to which you are exporting with the currency outflows, to eliminate or “net out” the exposure.
- Currency options – These contracts give you the right (but not the obligation) to buy or sell foreign currency at a specified price, within a defined time period. Unlike forward contracts, options let you benefit from favourable fluctuations in exchange rates.



FREQUENT EXPORTING MISTAKES

This presentation highlighted some of the basic considerations involved in exporting via the Internet. In closing, we draw your attention to some of the most frequent exporting mistakes made by new and even experienced exporters. They are as follows:

- Not enough personnel or capacity to handle the inflow of additional orders
- Insufficient knowledge of the legal and regulatory issues related to exporting in other countries
- Selecting overseas representatives too quickly without thorough investigation
- Neglecting new export customers when their domestic market was booming
- Failing to treat international and domestic representatives on an equal basis
- Not modifying products to meet foreign regulations and local preferences
- Not printing sales, service and warranty messages in local languages





Thanks for watching!