

Sales Channels and Matchmaking Support

Explore your options to decide the best way to enter a new market. There are services that can make finding a buyer or partner easier.

# **Sales Channels**

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Your company may already have found foreign customers through your website, trade shows, and other avenues. However, there might be additional, far-reaching sales channels ideally suited to your product or service.

When you want to proactively expand your international business, consider whether you will sell directly, indirectly, or through some combination to foreign markets. Some companies may shift strategies to be more directly involved as they gain experience and sales. That approach can lead to impressive sales.

Once you have a good buyer or partner, you'll need to pay close attention to the relationship. Use these Strategies for Keeping Buyers.

Download Video: Export Through Foreign Agents and Distributors [14MB]

## **Direct Sales**

In direct selling, the U.S. producer handles every aspect of the exporting process and deals directly with a potential buyer to fulfill the sale. It requires a significant commitment of management time and attention to achieve good results. However, this approach may also be the best way to achieve maximum profits and long-term growth.

If you choose to franchise a business model, the act of finding and supporting a master franchiser in a different country is direct exporting. If you get a contract from a U.S. or other national government agency, you are exporting directly to another country and potentially developing contacts that can lead to more sales independent of the government contract that got you to the new market in the first place.

#### **eCommerce**

If you have a website that processes credit cards, you can also export directly. The use of web, social media, and cross-border eCommerce to find international buyers will only continue to grow. The two main kinds of cross-border eCommerce are business-to-business and business-to-consumer. A good way to sell internationally is through popular social media networks, advertising, and virtual stores. Many American business owners are now using a successful mix of these sales channels.

## **Indirect Sales**

Indirect selling can take different forms. You can select an agent, representative, or distributor to find buyers or sell your products in the foreign market. You can also sell through a wholesaler, or work through an export intermediary such as an export management company or export trading company. eCommerce platforms are a

third option.

#### **Agents, Representatives and Distributors**

A great way to find foreign buyers is to hire someone who uses his or her contacts to sell your products in other countries. This can be a local sales agent, representative or distributor with expertise in your industry. They should also be skilled in identifying opportunities and familiar with local regulations, logistics, and after-sales service.

- Use this Choosing a Foreign Representative Checklist to guide your selection of a partner.
- You will also need to conduct due diligence on the foreign partner.
- Read Negotiating an Agreement with a Foreign Representative to help you design a contract.
- Before entering an agreement, speak to an attorney with experience in the country. Your local U.S. Commercial Service office working at the U.S. Embassy or Consulate can also help.

## **Export Intermediaries**

An export intermediary, such as an export management company (EMC) or export trading company (ETC), assumes responsibility for finding overseas buyers, shipping products, and getting paid. You can retain considerable control over the process and get some of the other benefits of exporting, such as learning more about foreign competitors, new technologies, and other market opportunities.

#### eCommerce Platforms

You can also use eCommerce platforms such as eBay, Amazon, and Alibaba. Increasingly, these and other big players are offering distribution centers in other countries where your products can be closer to customers. They may handle the logistics in return for fees, and notify you when to restock. Another option is that they sell via the site and you do the shipping.

# **Your Approach**

The way you choose to export your products can have a significant effect on your export plan and specific marketing strategies. A key consideration is the level of resources your company is willing to devote to your international marketing effort. Other considerations are:

- The size of your company
- Your tolerance for risk
- Resources available to develop the market
- Opportunity costs
- The nature of your products or services
- Previous export experience and expertise
- Business conditions in the selected overseas markets

To learn more about matchmaking services to find buyers and partners visit <u>customized services</u> of the U.S. Department of Commerce including <u>trade shows</u> and <u>trade missions</u>. You might also consult state trade offices, freight forwarders, shipping companies, international bank, and others.