

Preparing to attend an International Trade Fair; Preparation Checklist.

Preparation

Before the Show

Research the stores you would like to retail in

- What brands/products do they sell?
- What are their key price points?

Make your Price List & Order Form

What to include

- Minimum order value
- Ex-Works and Landed Price
- Contact information: name, email address and telephone number for reorders
- Any disclaimers regarding variations in colour, texture, materials & after care instructions
- Breakage/returns policy
- Customer name, contact name and details
- Shop address
- Delivery address – if different to above
- Delivery date
- Payment method, currency, bank details etc.

Prices for Export

It is recommended you have three prices for your product collection when selling in the US market place.

Euro – Ex Workshop – this is the price it costs you, the maker, to deliver your work to a trade buyer's shipping company in Ireland only

Other currency – Ex Workshop – that is the price it costs you to deliver your work to a trade buyer's shipping company in Ireland in the receivers currency – you will need to convert your prices to \$ (perhaps add a cushion to allow for fluctuation in currency)

The Landed other currency price - This is the price for your product collection with all shipping costs, import duties and taxes included, in the other currency (for further information on **Landed Prices** see **appendix 2**)

€20.00	Normal Wholesale Price
\$ 22.00	Convert to \$: www.x-rates.com
+ Freight	www.emeraldfreight.com
+ Duty	www.dutycalculator.com
<hr/>	
= Landed price	

A buyer who is interested in your work will research your products online. Please ensure that:

- Your website is up to date
- The product/s that will be on show at the show you are attending is front and foremost on your website and social media platforms
- All information on social media is up to date (contact details etc)
- All links on your website are functioning
- Your website is functioning correctly – look at your website on as many devices and platforms as possible to check this. Safari is good for checking the function and design of your website as it does not correct problems whereas other browsers do
- All your contact details are up to date and easy to find
- The information on your profile on the DCCoI Directory of Craftspeople is up to date; check <http://www.dccoi.ie/directory>

Have a folder ready to share with interested parties containing: (A cloud storage service like Dropbox or WeTransfer would be useful)

- Your product story/press release
- Information on your work - statement detailing the work, with the name of the collection, individual product details, dimensions of product/s, style of packaging, and composition of product
- High quality images of your work that will be on show
- Images, if available, of your products in a retail setting
- Video / film footage from your studio if you have it available

Note: Ensure you have the correct image licensing before sharing photos/videos with international press or retailers

At The Show

DCCoI recommends that while travelling abroad for a show that you spend a day visiting key shops in this new market for research.

Research

- Research complementary or competing products and find out where they sell and what sales and marketing strategies the company uses
- Learn from your fellow makers and designers
- Identify similar product offers, similar product prices-in-store (or online if you are not travelling)
- Take note of how the product is presented in-store, the language used in selling the product, the type of customer interested in the product, the level of knowledge and interaction of the sales staff
- If you find a shop you feel really 'fits' with your product, take in as much detail as possible, so you can let their buyer know your awareness of/interest in their store when you do manage to make contact. Sign up for their newsletter, follow them on social media etc.

Bear in mind, buyers are cautious and may not place an order at your first show. They may decide to keep an eye on you to see if you are still in the market in a year's time. Or they may test the water with you in a small way to see how your product performs. Be realistic in your expectations.

If they do decide to order then be prepared to deal with this

- Have line sheets/ order forms ready
- Have sample promotional material and business cards ready
- Have a system in place with structured timelines and actions. i.e. – exchange contact details – follow up within a specific period of time – share prepared folder with buyer - etc.

After the show

Follow up with contacts quickly

Categorise the leads you have developed - DCCol suggests the following headings:

- **Order to be secured**
- **Medium term chances** - need to develop relationship. This requires a strategy of relevant communication over the following months to ensure the lead does not dry up
- **Long-term target** - people you want to influence next time that did not engage at this event. Research and interact. Follow their progress. Sign up for their newsletter, follow them on social media and build your knowledge of them to better inform later strategies

Next stage (2- 3 months down the line)

Take a step back and gather learning from the event and the outcomes

- What did buyers/press etc. engage with; which products, what messages etc?
- Is your pricing right for this market?

- Are there challenges that the buyer has identified?
- If you do this show again what are the top three things that could strengthen your next performance?

Allocate time in each month for planning and evaluation.

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1. Longer Term Considerations

Create an export plan to clarify your export goals/timelines and resources.

- Set clear objectives for this show based on your export plan.

Think about:

- What your long-term strategic goals are and how does export into the this foreign market fit into that goal?
- Which is your most profitable customer/market?
- Where is the highest growth potential?
- How much does your company want to export?
- How will you build and develop export markets?
- How should you enter and service those markets?
- What level of export capability does your business have with current resources?
- Do you have the financial flexibility to invest in what could be a long-term investment?

2. Capacity

Know your capacity

Waiting until you receive an order is too late to consider this issue.

This knowledge can:

- Form a basis for important discussions with potential customers or partners
- Ensure you can deliver on orders accepted
- Ensure you don't leave current customers behind

Audit your resources:

- How you can meet current level of demand?
- Identify and document your spare capacity including any seasonal fluctuations
- If you have low levels of spare capacity, then address how you plan to increase capacity in order to meet potential sales

Your logistics, not your sales should dictate customer lead times.

3. Pricing

Longer Term Considerations

How to manage currency fluctuations:

Options: *** Speak to your bank about options available to you ***

- Which currency will you invoice in - invoicing in Euro will reduce your risk but may make you less attractive to buyers
- Use a foreign currency account
- Hold a bank account in your export market
- Use forward contracts, where the exporter agrees to purchase currency at an agreed rate for a fixed period
- Options – similar to forward contracts – but where the exporter is not obliged to go ahead with the currency exchange

4. How to Create Landed Prices

One-way of doing this is to create a 'Sample Order' and research the costs of shipping and tariffs. It will require the maker to work with shipping and delivery companies to determine the costs of delivery.

Create the Sample Order that you would like to be exported to a foreign retailer. The Sample Order should:

- Have a collection of products that best reflects your product range in the shop.
- It should meet the minimum order value as stated on your pricelist.
- Be packed and wrapped as if it was really to be sent to the your foreign buyer.

Then you should approach a number of shipping companies and ask for a quote and an estimate on customs charges. Before they can give you a quote, you will need to provide the shipper with information such as:

- Shipment from / Collection form
- Shipment to / Delivery to – estimate or guess a location in your target market to give accurate to this quote
- Number of boxes
- The dimensions of each box WxHxD
- The weight of each box and combined weight
- The Description of Products, you can enter your Commodity Code in addition to the description
- Type of transport / Air or Sea – this type will affect the time for delivery
- Declared Value, the monetary valued of the products being shipped

Once you have the price for shipping a collection of your work you can then add the cost of delivery to your Ex Workshop prices. Some makers add a percentage of the shipping costs depending on size of each product; others add a flat rate for shipping to each product. Initially it might be guess work as you will have no indication of what collection of products the trade buyer might include in their order at a trade show.

With this complete you need to determine the duty for each product, noting you have a number of different duty rates applying to different products.

5. Marketing and Sales Processes

When exporting, your brand needs to emotionally connect with the buyer quickly and clearly. What is it you do that creates value for the customer, does that translate?

Tell your story – know and communicate your value

- What is your value proposition - the product, the maker, the story, the history, the heritage – what makes you special?
- How are your competitors describing themselves?

Have 100 words on your work that you want the export buyers/consumers to remember about your product. This can be the story that buyers tell their consumers about you?

*** You can offer to add value by generating store specific marketing material. Instead of discounting price, add value ***

Do you have a promotional strategy?

- How do you plan to support your customers and partners?
- Will you be able/will it be worth your while to conduct market visits?
- What are your plans for training in-market partners, preparing promotional materials - including regional/ language if necessary – and advertising?

- How will your promotional material add value to your product offering, can you offer 'meet the maker' days or display models?

6. Distribution Methods

Things to consider:

- What [legal issues](#) should you consider?
- What [export duties, regulations and transportation](#) issues apply to your chosen market? Please see: <https://www.dutycalculator.com>
- What contractual terms are the norm in the market?
- How will you deal with the administrative side of distribution?

7. Commodity Code for USA Customs

When exporting to the USA, all makers/designer need to establish their Commodity Code for export paperwork. A Commodity Code is a ten-digit number, which equates to a description of the item.

www.revenue.ie/en/customs/businesses/importing/classification-of-goods.htmlb

Advice about the correct tariff classification of specific goods can be sought from the Classification Unit of Revenue at tarclass@revenue.ie. While every effort is made to provide accurate verbal advice on the tariff classification, **this advice is not legally binding**. It is also dependent on the description you give them. It is recommended that if you want legal certainty on a tariff code you should apply for Binding Tariff Information, however please note that can take time.

You can also browse:

http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en

Your shipping company can also assist with this process. Once you have your Commodity Code for export you can then research the USA tariff that applies to your product. It is also helpful to determine the costs of shipping your order.

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8. USA Tariffs & Duty

Import duty and taxes are due when importing goods into the United States whether

by a private individual or a commercial entity. The valuation method is FOB (Free on Board), which means that the import duty and taxes payable are calculated exclusively on the value of the imported goods.

US Customs Tariff Link: <http://www.usitc.gov/tata/hts/bychapter/index.htm>

This is a large body of work – brokers in the USA train for up to 5 years in order to interpret this document so it is advised you work with an experienced shipper to help determine the tariff that applies to your work.

More information can be viewed on: <http://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/Duties-and-Taxes.html>

Duty Rates for USA Exports

With your shipping costs determined, another tool that will help you with determining your landed prices is the www.dutycalculator.com website. Many designers / makers used this site to help research their prices.

<http://www.dutycalculator.com/get-import-duty-tax-rates/>

If you go to the “Get Duty Rates” tab (the third tab at the top) you can test the possible duty rates that will apply to your products with their online calculator. With this initial information you can use their online tool to research the ‘Duty & Taxes Calculation’. This tool will ask:

- From where to where you import
- The type of product, its value and where it was made
- The cost of shipping and insurance

9. Tariffs Attending Trade Shows

For the purposes of a Trade Show – goods are exported to be shown – not to be sold so you can avail of ‘Relief from Customs Duty’. You will have to provide evidence of your products leaving the country; again your shipper would have this information also. Please see <http://www.revenue.ie/en/customs/leaflets/pn1438.html>

10. Single Administrative Document (SAD) for Export

The main customs form used in international trade is known as the Single Administrative Document (SAD). It is usually processed by the freight forwarder/shipping company on behalf of the exporter. Traders and agents (shipping companies) can use the SAD to assist with declaring import, export, transit and community status declarations in manual processing situations.

11. VAT/Sales Tax

There is no VAT in North America – There is a ‘Sales Tax’ which varies from state to state. It is the responsibility of the retailer to apply and collect this tax from their end consumer. In the United States, when you purchase an item at a store, you will most likely have to pay a sales tax on top of the stated price of the item. Sales taxes are imposed by each individual state and vary from state to state.

The Irish export should however, record the Sales Tax ID from any trade buyer that places an order with them at a trade show. This is needed for USA Customs. Sales tax is not automatically charged on imported goods. However, Customs and Border Protection (CBP) declarations are made available to state tax representatives that may occasionally claim state taxes from the importer.

12. Other Resources

This information has been compiled using the following sources:

- Méabh Ring, Marketing & Resource Development, Guides to Export, July 2015
- Enterprise Ireland: Export Start Guide, A practical guide to doing business in overseas markets. <http://www.enterprise-ireland.com/en/publications/export-start-guide.pdf>
- Enterprise Ireland: NY Now, Show FAQ for EI Exhibitors
- NY Now website: <http://www.nynow.com/>

13. Case Study: Barry Doyle Design Jewellery

Barry Doyle Design Jewellers are a husband and wife team, Barry & Adrianna, who set up their business in 2000. Their mission is to offer customers a more personal experience when purchasing jewellery. As all their work is handmade, they wanted to share the creative experience with the wearer, to inspire and inform their customers on the jewellery making process, the design influences’ and the creative process. Their studio is situated in the 19th Century listed Georges Street Arcade, in Dublin city centre.

In 2013 Barry Doyle Design Jewellers made the strategic decision to target the USA export market and so began attending trade shows in the USA. Showcase (Ireland’s largest international creative trade fair) also offered Barry and Adrianna an opening into the export market place.

In preparing for their first USA trade show their research indicated that they must offer ‘Landed Prices’ for their target market. It was important at the outset to set the ‘Landed Price’ correctly as this was Barry Doyle Design Jewellers entry strategy into the USA market place and they were anxious to determine the correct price. ‘Landed Prices’ are the prices to the retailers’ door, which includes all shipping costs and import taxes on their jewellery products. Trade buyers may also ask for ‘Ex Workshop’ prices, where the trade buyer organises and pays for the shipment of the order along with import taxes.

Q. What process did they follow in order to determine their landed prices?

A. *“ In my experience, the best way to calculate a dollar landed price is to use the Dutycalculator.com website, it really helps in calculating BUT in order to do that you are going to have to have calculated an average cost of parcel and weight of parcel”* says Adrianna. *“ So my advice is start with your minimum order, box it, weigh it and then use the duty calculator to calculate the cost of duty on said package and in order to have done that you will also have to establish with your couriers the cost of shipping said boxes. So essentially there is a lot of weights and measurement calculations to be done before you can quote your landed price.”*

Adrianna’s advice: *“I found once you have done several calculations over several different weights, values and freight charges, a % pattern begins to reveal itself.”*

Companies have to become familiar with this process when exporting into the USA. It is important to note that USA import tax is very different for various product types, and indeed for different products within that product type depending on the makeup, content, components and materials used for each individual product.
