

Guide to Export Success

Marketing

Export marketing means exporting goods to other countries of the world as per the procedures framed by the exporting country as well as by the importing country and you will need to have a robust Marketing Plan in place before you even consider exporting.

Before setting up processes to develop and distribute goods and services in overseas markets you will need to undertake various marketing activities, such as marketing research, product design, branding, packaging, pricing and promotion and our ExportSefton experts will be able to assist you in developing the best Marketing Plan to suit you.

When developing your Marketing Plan you will need to consider some important factors such as:

- **Trade barriers** – Export marketing is not free like internal marketing. There are various trade barriers because of the protective policies of different countries. Tariff and non-tariff barriers are used by countries for restricting import.
- **Documentation** – Export marketing is subject to various documentation formalities. Exporters require various documents to submit them to various authorities like bill of lading.
- **Marketing Objectives** – should be attainable, realistic and should be communicated throughout the business firm. Since they will determine the business firm's direction and its activities.
- **Market Segmentation** – target segment has been identified in the export market. Any large market would have different market segments that differ substantially from each other.
- **Market Research** – identify attractive export markets and estimate the export potential for its products in them.
- **Product Characteristics** – analysis of products to confirm if any modifications in the products, packaging, labeling, brand name and after sales services are expected.
- **Export Pricing** – consider additional costs that do not enter into pricing for the domestic market such as international freight and insurance charges, product adaptation costs, import duties, commissions for import agents and foreign exchange risk coverage.

Market Research

Advice and financial support for exporters who want to research new markets.

Overview

The Export Marketing Research Scheme gives your company free independent advice on how to carry out marketing research. It can help you decide if you should export to a new market, and

advise you on how best to deliver products and services. It can also provide financial support for your marketing research project in certain circumstances.

How the service works

Working with an ExportSefton consultant, you can receive advice on:

- how to get the most out of a marketing research project
- locating and briefing market research agencies and evaluating their proposals and reports
- carrying out desk research, planning field trips and conducting interviews
- analysing data and drawing conclusions

There are 3 categories of marketing research the scheme can help you with:

1. In-house – help for overseas marketing research studies conducted by a member of your staff.
2. Agency – support for marketing research projects conducted by professional market research agencies.
3. Published market reports – help with buying market research reports which are available ‘off the shelf’ – but not directories, economic/country overviews or updating subscriptions.

Financial support

You may be eligible for a grant of up to 50% of the cost of the work of an Export Marketing Research project, payable on its completion.

Grants are usually paid out within 28 days of receiving:

- a satisfactory marketing research report
- a completed claim form
- relevant receipts

Benefits

The benefits of the Export Marketing Research Scheme for your business are:

- an increase in your confidence and competence in conducting and using marketing research
- help and encouragement for your business when carrying out overseas marketing research before developing a strategy for market entry
- ensures your company carries out or commissions marketing research based on sound methods
- an understanding of the discipline and benefits of marketing research in the exporting process

Eligibility

All exporters are eligible for advice under the Export Marketing Research Scheme.

Financial support is also available to companies with between 5 and 250 employees and who also:

- have products and services which have a proven track record of at least 2 year
- want to research a specific market for these products and services
- have not already commissioned the market research or purchased the published report

There are restrictions on the amount of support available to a company in a 12 month period.

How to apply

Applications for the Export Marketing Research Scheme must be made at least 28 days before the proposed overseas research is due to start.

The UKTI team can give you more information and advice on the application process. To find out more about the scheme contact info@ukemrs.com, call 0845 034 2111 or talk to your local International Trade team (www.uktiofficefinder.ukti.gov.uk/contactSearch.html).

Case studies

Find out how the Export Marketing Research Scheme has helped companies increase their export capabilities:

www.gov.uk/government/case-studies/ukti-helps-bcs-autobox-research-and-establish-a-presence-in-japan

www.gov.uk/government/case-studies/export-marketing-research-scheme-helps-pma-plan-for-china

Legislation & Administration

Export Control Act 2002

Overview

If you plan to start exporting, you'll need to follow the rules depending on whether your goods or services are going to a country:

- in the EU
- outside the EU
- outside the EU via an EU country

You can use a commercial agent or a freight forwarder if you don't want to deal with export procedures yourself.

Contact a UK Trade & Investment adviser in your area for help with starting to export.

UK Export Finance provides small and medium-sized businesses with trade finance and insurance for exporting.

Read about government schemes to help exporters.

You can hire a professional (eg a tax adviser) if you need advice about export duties and VAT.

Sending goods and services to EU countries

You don't have to pay duty and there are no customs checks when sending goods within the European Union (EU). The goods are in 'free circulation'. This also applies to goods from outside the EU but only if duty has been paid on them.

Exports within the EU are called 'dispatches'.

Find information on doing business in individual EU markets.

Regulations and product standards are the same in most EU member states. If you sell products in the UK it's likely that you already comply with standards in other EU countries (eg security for electrical goods).

Paying VAT on dispatches within the EU

You have to:

- record all the goods sold to EU countries on your VAT return
- fill in an EC Sales List
- fill in an Intrastat Declaration if your total dispatches are worth more than £250,000

Your customer is VAT registered

If your customer is VAT registered in their country, they'll pay the equivalent to VAT for the goods at their country's rate. You don't pay any VAT, as goods sent to someone who's registered for VAT in another EU country are zero-rated.

You'll need your customer's VAT registration number for your VAT return and paperwork proving that the goods have been sent within certain time limits (usually 3 months).

You can check if an EU VAT number is valid.

Your customer isn't VAT registered

You normally have to pay UK VAT on goods you export to customers who aren't VAT registered. You'll only be exempt from paying VAT if you're responsible for delivering the goods and their value is above a certain amount called the 'distance selling threshold'. In this case your customer covers the VAT.

Distance selling thresholds in each EU country are available from the European Commission.

VAT Helpline

0300 200 3700

Paying VAT on services within the EU

You need to charge VAT at UK rates on most services to non-business customers within the EU. If you supply services to a business customer in the EU, you don't need to charge VAT – the customer is responsible for paying VAT in their country.

There are different rules for some types of service, including:

- hiring transport
- land and property services
- 'electronically supplied services' where there's nobody directly involved in providing them, eg web hosting or music downloads
- events
- restaurant or catering services

Paying duty on dispatches within the EU

Goods that have been produced in the EU and are then sent to another EU country are in free circulation and you don't have to pay duty on them.

This also applies to goods from outside the EU if duty has already been paid on them.

Example An importer brings bicycles from China into the UK and pays duty on them. They are now in free circulation. You can buy the bicycles and dispatch them to France without paying duty on them.

If duty hasn't been paid on goods arriving from outside the EU you have to follow the rules for importing goods from non-EU countries.

Commodity codes

You need a commodity code for goods not in free circulation. The code classifies your goods for duty, tax rates and regulations, eg licences.

Check if you need a strategic export licence for some controlled goods, eg military, defence or security related goods. This also covers Dual Use goods that can be used for both civil and military purposes, eg some software. If you do need a strategic export licence, read the guidance first then apply using SPIRE.

For more information regarding Legislation and Administration on Export goods and services please visit <https://www.gov.uk/export-control-act-2002>

For further information on exporting please contact the ExportSefton team on:

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