



MARKET ACCESS STRATEGIES

Export business involves the participation in trading in a market other than the domestic market. In order to be successful in gaining entry into a foreign market, exporters need to reach the targeted customers in these markets. The characteristics of the products on offer as well as the characteristics of the end customers have an influence on how an exporter can reach them and how to get the products to them. It is therefore important for companies intending to export to develop appropriate market access strategies.

Distribution Channel Selection

Depending on the nature of the products, an exporter may either supply to the end consumer, which is referred to as business-to-consumer (B2C) or to another business, which may use the product as input, in which case the transaction is referred to as business-to-business (B2B). In reaching the end consumer, the exporter can either sell directly or use intermediaries such as retailers, merchant wholesalers or agents/sales representatives. The following are some of the distribution channels that an exporter could use to get their products to targeted customers in the export market:

- ✓ **Agents/ Sales Representatives** - Agents and sales representatives are people/companies that are hired to get orders for the exporter's products or services either on a commission, or salary basis. The agent represents the exporter in the market and maintains the relationship with the end customer, and negotiates when necessary. Under this arrangement, the exporter is responsible for setting the price at which to sell at in the market and the terms of payment.
- ✓ **Distributors and Wholesalers** - Distributors purchase products from the exporter and sell them to another intermediary in the chain, such as a wholesaler or a retailer, at a price that they decide. Unlike an agent, a distributor can establish the price of the product from this point onwards in the chain. The arrangement between the producer-exporter and the distributor is specified in an agreement or contract. Individual sales to that same distributor may require additional individual agreements.
- ✓ **Buyer-Exporter / Trading Houses** - A buyer-exporter or trading house is someone/company, in the exporter's home country, able to handle the exporting aspects for the exporter. They would be responsible for researching

and understanding the foreign market, and handling all export and marketing procedures. They may have their own distribution networks in the foreign countries where they operate.

It is worth noting that the more intermediaries an exporter involves in their chain of distribution, the more costs their product will accumulate as it moves to the end consumer. While exporters may stand to lose some profit, this should be weighed against the benefits of not having to allocate resources to carry out all the tasks the intermediaries are performing for the exporter.

The exporter also needs to find out whether there is need to have a representation office in the country to which they wish to market their products and services. It is important to make sure that the target country does not have restrictions on foreign direct sales, and to determine the degree of preference that potential customers may have for local representation. This is an investment that would be made when the exporter is assured of longer-term growth prospects and would expect a considerable portion of their business to come from this market.

Export Marketing Tools

There are a variety of means of reaching your target customers in order to raise their interest for your products or services. Here are just a few examples of marketing tools that could be used in order to reach international buyers:

- Trade fairs/exhibitions;
- Trade missions;
- Buyer-seller meetings and in-market visits;
- Promotional web pages;
- Personal sales visits;
- Email campaigns, direct mailing campaigns, using the Internet;
- Telephone campaigns

Participation in Trade Missions, Trade Fairs, Expos

Trade shows are among the most useful communication tools if used properly. When they are used in conjunction with other marketing endeavours there are many benefits that can be gained by exporters. It is for this reason that Agency facilitates and encourages the private sector to participate in such events in order to market their products and services.

In 2022, the Agency had an opportunity to participate in various activities. The year began with participation in the Macfrut, during which potential export of avocados and avocado oil worth over US \$ 2.8 million was identified. As the year progressed, the Agency took part in the Mozambique International Trade Fair during which market for various products was identified worth US\$3.5 million. In Namibia, participation in the

SWAITEX resulted in US\$2million. The next event was the Trade mission to Lubumbashi DRC which was held in collaboration with the Accelerated Growth for SMEs and ABSA Bank during which deals worth US\$24.5 million were recorded for multi-sectoral products. The Global Expo Botswana yielded US\$6 million worth leads for the export of various agricultural products. Participation in the Benguela Agriculture and Livestock Fair resulted in US\$ 41.5 million for the supply of seed and grains and a lead was recorded for the export of 500 Brahman bulls. In addition, the agency took part in the Africa Fashion Week in Addis Ababa, Ethiopia during which leads were recorded for the export of US\$280, 000 worth of textiles.

How the Private Sector Can Participate in Trade Missions

Following the successes recorded in 2022, the Agency intends to ramp up its trade fair participation in 2023 with some very important event earmarked for the year. These will include the Intra-African Trade Fair which is set for Abidjan, Ivory Coast, Africa's Big Seven and SAITEX Show in Johannesburg, South Africa, Trade Mission to the Democratic Republic of Congo, Malawi International Trade Fair and many others. To this effect, the Agency has published a calendar of activities for 2023. ZDA publicizes registration for these activities widely the on all the Agency's social media platforms, the website and other news channels.

Private sector wishing to be part of these events may visit the ZDA website www.zda.org.zm or the ZDA offices.

For queries or any further information,
Contact the Communications and Public Relations Unit,
Zambia Development Agency,
Nasser Road, Privatization House,
P.O. Box 30819,
Lusaka.
Email: info@zda.org.zm
Tel: +260 211 220 177