Export Basics

E-commerce for Exporters

E-commerce is the act of buying and selling of goods and services over the Internet. E-commerce offers tremendous opportunities and mastering the intricacies is essential to success.

Steps to Selling Online

Evaluate your e-commerce potential Take some time to reflect on your current operations and product offerings. Are you ready for e-commerce?

Develop an e-commerce plan
Just like an export plan is a necessity for preparing to market your products in international markets, an e-commerce specific plan will help you tackle the digital aspects of selling online.

Modify your products for foreign markets
You must ensure that your products are suitable for your target markets. Taste preferences, labeling and any other specific foreign regulations. Note that these will vary by country.

Research the legal issues related to selling online
Consult a lawyer specializing in international law to make sure you are in compliance with all of the regulations.

Leverage your website to sell abroad
Considering developing a multilingual website as this will be necessary to reach customers where English is not used.

Ship your products
You can call upon the assistance of freight forwarders, customs brokers and fulfillment houses once you have made a sale.

Get paid
Online payment options include third-party credit card processing companies, online fund transfer services and prepaid credit services.

Legal and Regulatory Issues to Consider:

- Jurisdictions
- Intellectual Property
- International Trade Agreements
- Export Controls
- Sanitary and Phytosanitary measures
- Canadian federal requirements

Advantages

- Find new customers in overseas markets
- New revenue streams
- New options for current customers
- Conduct business 24/7
- Build brand awareness
- Access new markets in a low-cost manner
- Monitor real-time sales to understand what customers are searching for
- No brick and mortar location needed
- Lower marketing costs
- Streamlined business operations
- Better customer experience
- Easy to start and scale
- Easier to encourage impulse buys
- Fewer employees needed

TIP: Offer customer support either through a Frequently Asked Questions list available on your website or through email-powered assistance.

Disadvantages/Risks

- Financial risk
- Risk of non-payment
- Foreign exchange rate risk
- Cyber security
- Site crashes
- Customers can't try before they buy
- Shipping times could be lengthy

Alberta

Common Sales Channels

Own company website
Running your own store ensures total control. You decide the look and feel of your store and how your products are presented.

Example: Shopify (platform)

General marketplace
Low barriers to entry. Mass appeal marketplaces sell a wide- range of products. They give your product a degree of credibility but it is difficult to build a brand or associate the purchase with your company.

Example: Amazon, Rakuten, Alibaba

Social media
A popular way to match you and your products with your customers/followers.

Example: Facebook, Instagram

Subscription box service
Getting your product into a monthly tasting box is a great way to expose your product to new customers.
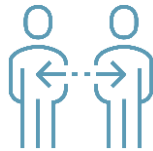
Example: Cratejoy

Types of e-commerce:

- B2C (Business-to-Consumer)
- B2B (Business-to-Business)
- C2B (Consumer-to-Business)
- C2C (Consumer-to-Consumer)
- B2G (Business-to-Government)

Returns

Returns can be a real issue for e-commerce businesses as the return

rate for retail establishments' runs between 8-10%, yet the return rate for e-commerce companies is double that at 20%.

When a product is returned, the seller must factor in the following costs: labour, reselling, damaged goods, and transportation.

Developing a good returns policy that is easily accessible to customers is a crucial step in your e-commerce plan.

Savvy companies find ways to optimize the returns process and take advantage of the benefits that can be accrued with returns.

For information on exporting, Alberta companies can contact:

The Export Development Section
Agriculture, Forestry and Rural Economic Development

agrifoodexports@gov.ab.ca

Sources:

BDC – Online exporting: 5 steps to get your business ready

EDC – E-commerce: What exporters need to know

Easyship – Your Guide to Managing eCommerce Returns

International Trade Administration – E-commerce Resources

Shopify – 11 Online Sales Channels and How to Choose the Right Ones for Your Retail Business

Trade Commissioner Service – Step 10: Sell online using e-commerce

Website Builder Expert – How to Sell Online: Start Making Money Today