

# Exporting 101- Respond to Inquiries

## How to Respond to Sales Inquiries

Sales inquiries from potential customers in foreign countries can be quite different than what companies are accustomed to receiving from domestic sources.

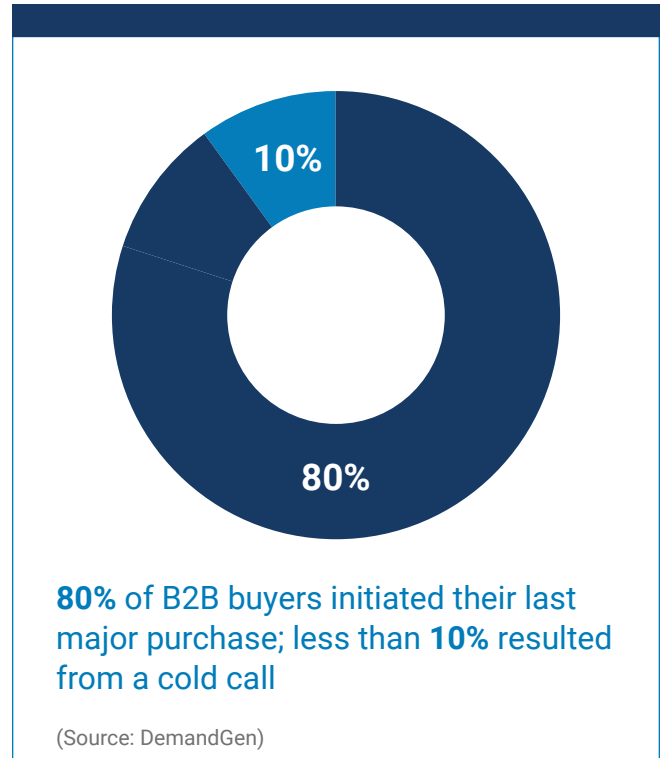
Responding to a reputable sales inquiry requires careful consideration of many elements, including pricing, export regulations, and payment terms.

This guide provides an overview of:

- Reviewing inquiries
- Determining how to respond
- Developing pricing and quotations

## Review the Inquiry

When an inquiry from a foreign company is received, reviewing it for the following information can help a company make an informed decision about how to respond.



| Elements to Consider      |   |
|---------------------------|---|
| <b>Format</b>             | Inquiries will differ in format from traditional business communications in the United States. Differences such as grammatical or typographical errors are not necessarily a red flag.  |
| <b>Credibility</b>        | Always verify the credibility of the company and the people with whom you are corresponding. Screen the U.S. Denied Parties Lists for the company and any individuals named on the inquiry (see <a href="#">UPS International Tools</a> ). You may also request references from the company.  |
| <b>Export Regulations</b> | Your company is responsible for complying with export regulations. Check to see if the destination referenced in the inquiry is subject to any U.S. sanctions (see <a href="#">U.S. Treasury</a> ), and find out if the customer is planning to re-ship the product to another country. Special licenses may be required. For more information, see Fast Facts: Export Regulations. |
| <b>Potential Scams</b>    | Check for red flags that may indicate a scam or an export regulations violation. Requests to send money, bank drafts, bank account numbers, or personal information are red flags. For more information, see the following lists: <a href="#">Red Flag Indicators</a> and <a href="#">International Trade Scams</a> .   |

## Pricing and Quotations

### Pricing Strategy

There are several approaches to pricing products/services in foreign markets. Your company may choose to maintain a set profit margin globally or use a different price for domestic and international buyers. A pricing strategy will depend on demand and competition in the foreign market. Refer to the resources mentioned in Fast Facts: Selecting an International Market for assistance in researching international markets. **Note that it is illegal to sell a product at a lower price abroad than domestically (this is called “dumping”).**

### Export Costs

While there are several methods for calculating a product or service’s final price, the following costs should be considered in export pricing:

- Advertising and marketing in the new market
- Post-sale service warranty costs
- Packaging and shipping costs to the final destination
- Duties, tariffs, and taxes
- Labeling and translated instructions required under regulations
- Export documentation
- Insurance, finance, and banking charges
- Employee training

For more information, [see this guide from the Australian Trade Commission](#). Remember that these costs will vary based on the agreed upon payment terms. See Fast Facts: Payment Terms for more information.

### Currency Fluctuations

To avoid the risk of foreign exchange fluctuations, a U.S. exporter may prefer to quote prices and require payment in U.S. Dollars, thus placing the burden of exchanging currencies and associated risks on the buyer. If the buyer asks to make payment in a foreign currency, the exporter should consult an international banker before negotiating the sales contract.

## Response Checklist

- A basic introduction about your company, its products or services, and prices
- References or information that indicates your company will be a reliable supplier
- A request for credit references and names of other customers
- Your company’s production policy, lead times, and any advance payment requirements
- Your company’s policy on exports, such as abiding by all U.S. Export Administration Regulations
- An expiration date for the quote
- Simple yet specific language that avoids slang/acronyms
- Consistent conversions to the metric system, if necessary
- Delivery point, terms of sale, terms of payment, insurance, and shipping costs
- Total charges to be paid, quoted in U.S. Dollars or the local currency
- **A proforma invoice is a common response to an inquiry. Visit [Export.gov](http://Export.gov) to learn more.**

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## FAST FACTS

Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: [ExportVirginia.org](http://ExportVirginia.org)

### Additional Resources:

[Pricing, Quotations, and Terms](#)

Export.gov

[Prepare a Proforma Invoice Online](#)

DHL

[International Trade Scams](#)

Export.gov

[Red Flag Indicators](#)

U.S. Department of Commerce

[U.S. Trade Sanctions and Country Information](#)

U.S. Department of the Treasury

[Export Pricing Guide](#)

Australian Trade Commission

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