

# 10 tips for doing business with European buyers of electronics and electrical engineering

European buyers in the electronics and electrical engineering sector are looking for long-term relationships with their suppliers. A long-term relationship requires a firm foundation, reliability, trust, transparency and traceability. Use the following tips to find out what your potential buyers are looking for.

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The buyer that you are talking to might have had no business experience with your country. If this is the case, sell your country first, then your company, and finally your product.

## 1. Be aware of differences in business culture

Business culture and communication differ considerably between countries. The way that you are accustomed to doing business may be quite different to the way that buyers do business in Europe. To find out about the many differences in doing business with countries in Europe, visit the websites of [Business Culture](#) and [Kwint Essential](#).

In Europe, communication between business partners tends to be direct and to the point. Your buyers will be precise and target-oriented. They will expect you to stick to deadlines and agreements.

## 2. Communicate honestly and on time

Business transactions in Europe require fast decision-making; buyers need to make quick decisions and rely on fast responses. They will expect you to have the right expertise and knowledge. Doing business in Europe requires transparency.

If you cannot give your buyer a firm answer, give him interim information. Explain, for example, that you are running tests for him and that you can give him the expected feedback in a week. You do not want to be considered unreliable or disinterested.

## 3. Demonstrate full understanding of CE requirements

The European electronics and electrical engineering industry requires strict compliance with CE regulations. Your buyers will expect that you are fully conversant with EU regulations and management systems, such as ISO 9001 and ISO TS 16949 for automotive applications. They may ask you to provide proof by supplying a copy of the EU Declaration of Conformity and technical documentation that your product is in compliance with actual CE regulations.

Study the CBI studies [Finding Buyers](#) in the electronics and electrical engineering sector and [Buyer](#)

Requirements in the electronics and electrical engineering sector.

## 4. Know your product

European buyers demand traceability. You will need to be able to explain where your product comes from, where the raw materials used come from, and whether residues or heavy metals could be in the end product.

Have copies of all certifications on hand including the third-party testing results.

## 5. Know your target market

You need to know your target market. You need to know the characteristics of the European market, who your competitors are, and what the latest market developments are. Understanding and keeping up to date with market developments will help you to win the confidence of European buyers. This knowledge will enable you to anticipate price developments and to source raw materials at the right time. This is also exactly the type of information that your buyers are looking for. So include market information such as these price fluctuations in your product information. Buyers will appreciate you sharing your knowledge with them.

Up-to-date market information is available in [CBI's factsheets on promising export products](#):

- [Embedded Systems for Telemedicine](#)
- [Electronic Components for Smart Meters](#)
- [Power Supply Units](#)
- [Electronic Lighting](#)
- [Capacitors](#)
- [RFID](#)
- [Electronic Assemblies](#)
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- [Semiconductors for Automotive and Industrial Applications](#)
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- [Sensors](#)
- [Microcontrollers](#)

In addition, check for answers to key market research questions in the [CBI's Market Information](#) portal for Electronics and Electrical Engineering:

- [Through what channels can you get your product on the European market?](#)
- [What competition do you face on the European market?](#)
- [What is the demand and which trends offer opportunities?](#)
- [What requirements should your product comply with?](#)

## 6. Provide samples

An important part of the buying process is to provide your buyers with samples. A buyer expects that the sample will be taken from your regular production and that it is fully representative of your production, unless it is a sample of a customer-specific product. The sample has to correspond to the final product that you will deliver, and if not, this could damage your reputation.

You also need to be aware that samples in Europe are delivered free of charge, unless they are customer-specific. When you receive an order, the quality of product supplied must match the sample that you have sent prior to the order.

Your sample must be marked with a lot number and/or production date and accompanied by the data on the

testing that you have carried out.

## 7. Provide solid packaging and reliable transport

It is essential that electronics and electrical engineering products are properly packaged and transported. Select the forwarding agent for your shipments to Europe carefully. Ask peers in your country for recommendations and check with the local chamber of commerce, an association in your sector, or an export council in your country.

All packaging material for dangerous substances must be [UN approved](#) (UN approved packaging will display the UN stamps). This packaging is robust and accepted internationally by airlines and shipping companies for the shipment of dangerous goods. Stack your products on pallets and shrink-wrap the pallets. This or another type of protection from damage will reduce loss during transit.

Check with your buyer whether there are specific packaging instructions, and whether there are preferred forwarding agents from your country.

## 8. Be aware of payment conditions

Buyers will try to negotiate the most favourable terms. Within Europe, the payment period is usually set at 30 to 60 days after the date on which the invoice has been received. For a new supplier from outside the EU, buyers may accept other terms.

Talk to your local bank about international transaction costs, such as money transfer, Letter of Credit and bank collection, and whether they can pre-finance your exports.

Sometimes, national governments subsidise exports. Thus, keep in close contact with government business support organisations, such as Chambers of Commerce.

If you are granted a subsidy, you may be able to accept longer payment terms, which may be of interest to buyers and make you more attractive as a supplier.

A common (Inco)[term](#)® for shipments exceeding €10,000 is CAD: Cash against Documents. CAD involves the banks paying for the transaction either on presentation of documents or within 30 days after the issue of the B/L (Bill of Lading).

Contact your national government for information about export subsidies.

## 9. Aim for long-term business relationships

Buyers like to have a long-term relationship with suppliers because this is generally more profitable and reduces negotiation required on specifications or price and transaction costs. However, this type of relationship requires a firm foundation. Buyer and supplier need to get to know one another. This is a long-term process that calls for patience and trust, leading to a win-win partnership.

Keep in regular contact with your buyers and arrange face-to-face meetings at conferences and trade fairs, such as [electronica](#) and [Hannover Messe](#). For more information about trade fairs, see our study of [Tips for Finding Buyers](#) in the Electronics and Electrical Engineering Sector.

## 10. Do not give up and create a win-win situation


Keep buyers posted on your company news through, for instance, regular emails. Send relevant and useful information about your company, product news and the market situation. This will show your buyers that you

are seriously interested in a long-term relationship.


Do not give up if you do not receive an immediate response or if there is no immediate success. Experience indicates that it takes 18 to 24 months to win the first order. Product testing including company approval alone can take up to 6 months.

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