

# 11 tips for doing business with European apparel buyers

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Identifying and finding the right type of buyer is only the first step in doing business. The biggest challenge is convincing potential buyers to do business with you. This requires a clear understanding of European business culture and buyer expectations. This report will help you understand what is needed to gain a competitive edge, to successfully approach a potential buyer and how you can develop a long-lasting business relationship with them.

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## 1. The European apparel industry after Covid

In 2020, the fashion industry struggled as a result of the coronavirus pandemic. According to the Boston Consulting Group, [it saw a one-third drop in revenue, losing a total of €525 billion](#). Since the summer of 2021, many European markets have opened up again, as have most production countries (although China still had restrictions in place in 2022 due to rising infection numbers). The industry still has not yet fully recovered, and it may never. European buyers also adjusted their requirements during the pandemic. They now look for short-term business based on low order quantities, fast delivery and extended payment terms. If you can offer these, there is opportunity for you to grow your business.

You can accommodate buyers while protecting your own business in several ways:

- Source from fabric suppliers that can manufacture fabric faster to improve your lead time and responsiveness.
- Source from fabric suppliers that can offer you stock service.
- Keep stock fabrics (prepaid by the buyer).
- Change your manufacturing setup to create the ability to manufacture small orders.
- Consider setting up a sample room close to your target market or use digital tools such as 3D-sampling to speed up the approval process.

## Disease prevention on the work floor

Maintaining strict health and safety standards in the workplace remains important. This is to prevent the spread of any new diseases. European buyers will also expect you to follow local rules and regulations concerning worker safety and Covid-19 protection. Make sure you communicate this properly and show the steps you have taken to protect your workers and to create a safe working environment.

### Tips:

Read the [CBI study on how to respond to Covid-19 in the apparel sector](#).

Read the [State of Fashion 2023](#) by consultancy firm McKinsey and listen to [McKinsey's podcast on the postpandemic state of fashion](#) for an analysis of how the fashion industry has adapted to the coronavirus pandemic.

For updates on policy responses to Covid-19 in different European countries, check the [IMF's COVID-19 Policy Tracker](#).

Ask for prepayments and investigate the financial stability of new buyers.

Figure 1: 3D design and sampling tools such as CLO3D enable buyers and suppliers to speed up the approval process



Source: [clo3d.com](https://clo3d.com)

## 2. Try to connect with buyers both personally and professionally

When doing business with European apparel buyers, connecting with them personally is just as important as talking business. Most buyers are looking for long-term business relationships because switching buyers too often results in extra costs and uncertainty. When you present yourself for the first time to a potential buyer,

introduce your company and yourself first. After your introduction, talk about products and prices. Try to understand your prospective buyer's cultural and personal background and make them understand yours.

Approaching potential buyers directly works best. The most cost and time efficient way is calling the company you have identified as an interesting prospect or sending them a personal message via internet. You can do this by email or using a [LinkedIn](#) message (see section 2). When a prospective buyer is interested and the situation allows it, try to arrange a meeting, for instance, at an event you are both attending. Exposure in popular European trade media helps build authority and makes it easy for prospects to find you.

More and more European brands and retailers are taking measures to filter out 'new supplier calls'. This is because many European companies get too many calls and emails from companies that want to supply them. So if you want to connect with new buyers, you need to be more creative. Look at a buyer's LinkedIn posts to research their interests and to find out if they are planning to attend any events. These can be a good opportunity to directly approach buyers in a more casual environment.

## Cultural differences

There are cultural differences between European countries. On average, countries in Northern and Western Europe have an informal business culture, putting more emphasis on flexibility and quickly working towards a mutual understanding. The countries in Southern and Eastern Europe have a business culture that is a bit more formal, with emphasis on hierarchy. In any case, connecting with a buyer personally, in addition to having a good business proposition, of course, is the best guarantee of smooth communication.

### Tips:

When first contacting a prospect, try to direct your telephone call or online message to the right person. When emailing, avoid general company addresses such as [info@companyname.com](#). Try to find personal telephone numbers or email accounts via an online search engine, on the company's website (search for 'our team', for example) or on LinkedIn. When introducing yourself, always make clear how you got the contact information.

Always start a conversation with an introduction of your company and your personal background. After you have made a personal connection, elaborate on products and prices.

A shared friend is often the easiest way of opening doors. Find out if you have mutual connections in your network, for example, when a buyer is already sourcing in your country. You can also search for shared connections on LinkedIn.

Even before the Covid-19 pandemic, communication tended to be primarily digital. Personal, physical meetings used to be very important as well, but the current Covid-19 policies in many countries do not always allow this. If you both feel comfortable meeting and you see an opportunity, try to schedule an appointment and follow Covid-19 prevention rules. Otherwise, arrange an online video call.

When you have managed to get the attention of your prospect in a personal setting, focus on your conversation partner. Ask questions. Try to listen more than talk and keep your phone on silent mode.

Bringing a gift to a first meeting is acceptable, but only when the gift does not represent a substantial value.

### 3. Advertise your unique selling points

If you want to turn leads into buyers, it is very important that you advertise your company's unique selling points (USPs). Good quality, competitive pricing and on-time delivery are not USPs. They are non-negotiable requirements. Unique selling points are qualities of your organisation or product that make you stand out in the crowd of suppliers, such as:

- unique designs;
- special skills and associated machinery;
- the ability to create complicated styles;
- ultra-high product quality;
- a focus on innovative production techniques;
- flexibility with low minimum order quantities;
- low pricing (high volume);
- extra-fast delivery;
- high service levels;
- a transparent supply chain; a good corporate social responsibility strategy.

It is becoming ever more important to focus on the sustainability performance of your company. Clearly advertise the standards and certifications that you adhere to, what measures you have taken to ensure and promote worker rights and what you are doing to minimise your environmental impact. This includes having good insight in your supply chain and being able to measure and report about impacts.

Ask yourself:

- What specific requirements, challenges and ambitions does my prospect have?
- What information can be found on my prospect's website?
- What kind of collections do I see?
- What is my prospect's main target group?
- Which certifications does my prospect require?
- What are my prospect's company values?

Read trade media, such as [FashionUnited](#), [Just-Style](#) and [The Business of Fashion](#) to learn about trends and challenges your buyer might face. When making first contact, show that you have understood these issues by adjusting your story to your buyer's specific needs.

You are selling your company just as much as you are selling your product. A potential buyer needs to be convinced that your factory is reliable and will comply with all their legal and non-legal requirements. If your factory cannot comply, your prospect will not start business with you, even if your products and prices are exactly what he or she is looking for. It works to describe your factory on your website and on promotional material. Make sure to include professional pictures and quotes from your management team and employees.

The European Union is introducing new regulations to promote a circular economy. That is why a specific buyer requirement worth looking into is the use of circular solutions. So try to find companies in your country that are actively focusing on recycling, or circular innovations you can use. That way, you can show your (potential) buyers the circular opportunities your country has to offer.

Figure 2: Clearly advertise the standards you adhere to and your certifications

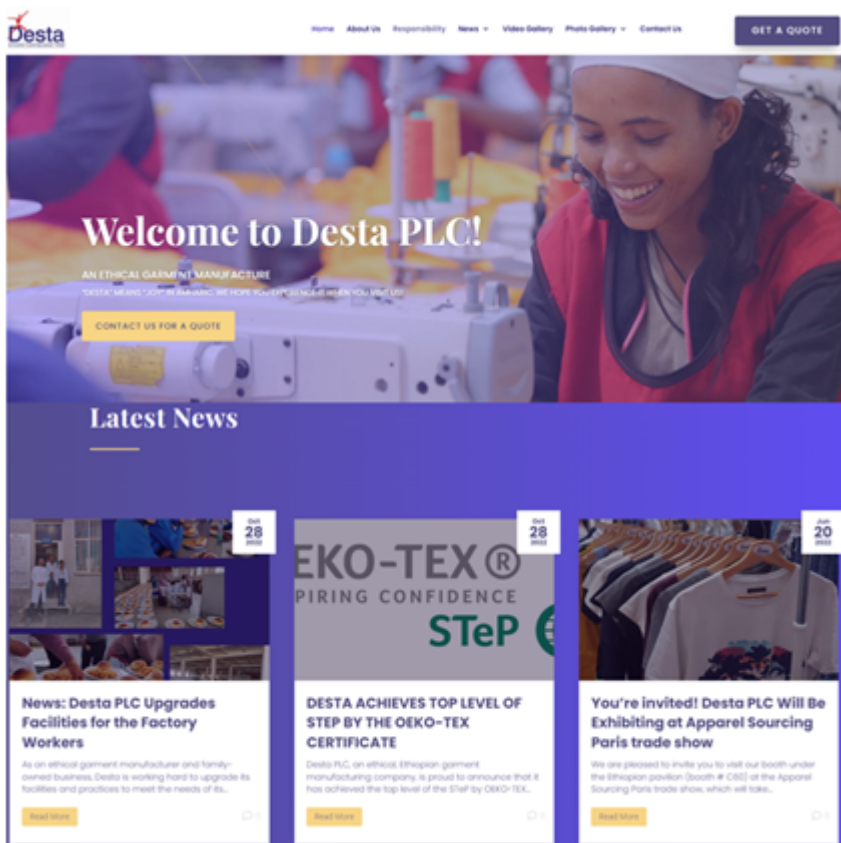


Source: FT Journalistiek

## Example of a company advertising its USPs on its corporate website

[Desta Garment PLC](#) is an Ethiopian manufacturer of different types of sportswear and fashion items for the export market. Notice on their website how the company introduces its values and organisation first (instead of its products)

Figure 3: Example of a garment manufacturer's webpage promoting its USPs



Source: [Desta Garment PLC](#)

### Tips:

Find out what your USPs are. Ask both your current buyers and your employees what they appreciate in your company. A good way to guide your thinking process is to do a SWOT analysis. [This Youtube](#)

[video explains how to do it.](#)

Never approach potential buyers with a generic offer. Always investigate their needs and ambitions and adjust your story accordingly. Use your USPs to connect with the buyer's specific challenges and ambitions.

Make a nice presentation of your company and your products in PDF or Microsoft PowerPoint. Include pictures from the production floor, short descriptions and quotes from your management team and production staff. Also include professional photographs and clear descriptions of your products. (see also section 4).

If you do not know how to make a professional presentation, hire a marketing professional to do it for you. Use [Upwork](#) or [Fiverr](#) to find suitable marketing professionals.

Get inspiration from the following manufacturers, which do a very good job of showing their USPs: [Hawthorn](#) (low MOQ), [Crystal Group](#) (company story first, product later), [Kanoria Africa](#) (sustainable production).

## 4. Manage expectations, including your own

The key to a successful business relationship is a clear mutual understanding of expectations between buyers and suppliers. Many factories that have never done business with European buyers have unrealistic expectations of the European market. They think FOB prices and order quantities are high, but the opposite is often true. European companies usually have high standards for quality and compliance, so always investigate if a potential buyer is a good match for you. Before trying to establish a business relationship, first check their price and quality levels and compliance requirements.

Although it may be tempting to overstate your capabilities to attract a buyer's interest, this is never a good strategy. Some manufacturers still introduce themselves in emails or on LinkedIn as 'the best manufacturer' in their country, claiming they can make 'any product'. This never works. If you really were the best, the buyer would have already heard of you. It is also highly unlikely that you actually have the capacity to make any high-quality apparel item at a reasonable price. So instead, promote the products that you specialise in.

### Tips:

Manage your buyer's long-term expectations. When dealing with new buyers, it can be smart to accept a relatively complicated first order with lower minimum order quantities than you normally would. Buyers will want to test whether your products meet their expectations before committing to large orders. Make an agreement with the buyer to ensure that they will not continue to place only difficult orders with you while placing simple orders elsewhere.

Do not offer unrealistically low prices to win over new buyers only to raise prices later on. Most European buyers are experienced traders and have a very good idea of the prices that manufacturers can offer (see also the section below on price quotations).

Manufacturers that do not have experience exporting to Europe can sometimes be unpleasantly surprised by the large differences between the FOB prices they receive and the prices that items are eventually sold for to European consumers (the retail prices). An apparel item that is sold by a factory for less than \$20 may be sold to European end consumers for €100 or more. To learn more about these differences, read about retail markup in the [CBI study on cost calculation](#).

Only use true references on your website. It is easy for buyers to investigate if you have really produced for certain brands and retailers, especially if their price range and market segment don't



match your company's capabilities.

Answer your buyer's questions. If they have questions that you don't know how to answer, try your best to find an answer. If you can't find a good answer, say so honestly. This will make you look more professional than simply ignoring certain questions or making up answers.

## 5. Present your products in a logical manner

When you first advertise your products to buyers, don't present every product in your collection, but advertise your skills and associated machinery. Show detailed pictures on your website or other promotional material of representative styles and include information on the materials you can work with. Show technical details regarding stitching and seaming techniques, prints and washings. Later, when your buyer has placed an order with you, he or she will use a 'tech pack' with all the technical specifications needed to make the item.

### Tips:

Invest in good product photography. Check, for example how [Zalando](#) does it. Apparel items should always be photographed in the same manner. Never present an expensive item in a cheap manner.

Build an easily accessible archive of product photos, including salesman samples, collection samples and production samples. This way you can always provide new buyers with examples of styles you have made in the past.

Don't forget to include the bill of materials (BOM) in your archive. This is the costing sheet for all the materials needed for a certain style. This way you can estimate a price fast.

Read [this article on Techpacker for background information on making a costing sheet](#).

## 6. Offer a substantiated price quotation

Most European buyers know very well which costs are involved in making and delivering a certain product. Show that you know, too, when you make a price quotation. This will improve your negotiating position and make it easier to negotiate a deal that is satisfactory for both you and your buyer.

Although there are no standard discounts, promotions or other incentives in the apparel industry, some buyers may request discount percentages, such as 'no claim', 'marketing costs' and 'end-of-year bonus'. Expect requests for discount percentages between 1% and 5% per discount. Do not forget that you need to include such special discounts in your costing.

### Margin

There are no standard gross profit margins for garment manufacturers. This does not mean you can always calculate any gross profit margin you like. Try to keep your margin realistic. Expect anything between 12% for a big order for a value retailer, to 45% for a small order of 100 pieces for a small brand. Try to calculate at least 20% on the FOB (Free on Board) price for any order that covers your minimum order quantity (MOQ).

## Aim low

Although buyer requirements regarding quality, flexibility and sustainability have become stricter in recent years, most buyers still expect a (very) low price. It is important that your price-quality ratio is right and that your price range is as competitive as possible. Try to develop a customer pricing strategy. It is okay to offer products (a little) below your regular profit margin to create interest and open doors. When you have passed the registration process, develop a strategy that will enable you to build a profitable and sustainable business relationship with your buyer.

## What to include in a costing sheet

When making a price quotation, at least the following costs should be included: CM (working hours for 'cut and make'), fabrics, size breakdown, labels, buttons, badges, embroidery, printing, sewing thread, interlining, padding, hang tags, safety tags, polybag, carton box, export carton, and wastage. Other factors that influence costing are quantity, quality, delivery date, and payment terms. Don't forget to address each of these issues in your quotation, or you might end up quoting too low and losing money.

Most buyers will ask for FOB delivery. This means that you need to produce the end product and use a nominated supplier for shipment. It is important to check the shipping costs and delivery times of these suppliers before you send the buyer your price quotation. Nominated suppliers are often more expensive than your own.

## Circular supply chains

Be prepared for a new cost structure if a buyer wants a circular supply chain. This means that the buyer will collect used clothes and send them back to you. You then need to get maximum value from the returned goods, for example by selling them at a local second-hand market or by recycling them into new yarns and fabrics. The higher the value you can get, the more attractive you will be to buyers.

### Tips:

Read the CBI study [How to calculate the cost-price of an apparel item?](#). It contains a step-by-step guide for calculating the cost price of any apparel item and practical tips on developing a pricing strategy.

Always mention that your buyer will face an upcharge in case the order quantity is below the quantity mentioned in your quotation.

Never forget to include the cost of salesmen samples (SMS) in your quotation. Some (bigger) buyers may ask for 100 samples per style for free. That can mean significant costs. In case your buyer requires SMS and is not willing to compensate you for the cost of preparing and delivering them, calculate 1,5 to 2x FOB for the samples.

Sometimes buyers will specify a requested quality with only minimal information, such as '100% cotton'. In such cases, ask for details such as yarn count, weight and finishing. If your buyer can't specify their requests, then select an existing quality from your collection that is similar to the requested quality.

Ensure the physical requirements that buyers ask for products are realistic. Some buyers may ask for things such as a pilling standard of 5 for a 100% Kashmir style, which is just not feasible.

Always mention that your quotation is valid for a limited-time period. This is to prevent the risk of higher costs for you when you start production because the currency exchange rate or fabric price has changed.

Investigate the price level of your buyer and investigate the price level in the market for similar products.



## 7. Be prepared to make a good impression when meeting potential buyers

Studying your potential buyers, analysing your USPs and preparing nice promotional material is only half the work. The other half is making a professional impression when meeting buyers. This can be online in a personal meeting, at an online trade mission or fair or, if the situation allows it, at a physical trade fair, at a matchmaking event or during a personal visit.

One of the biggest mistakes manufacturers make when meeting buyers is to first throw a large selection of samples on the table. Remember: Always try to connect on a personal level first. Then tell about your company's history, values and ambitions and don't forget to pay attention to your CSR-performance and strategy. You are trying to sell your company more than you are trying to sell your products.

### Meeting online

As a result of the travel restrictions during the coronavirus pandemic, many buyers have discovered that business can also be done online. If you meet with a new buyer for the first time online, it is extra important to prepare a professional and creative presentation. Invest in professional photography, videos, presentations and make sure you have a professional (virtual) background when talking or presenting on webcam. For instance, check how Hong Kong-based manufacturer Neo Concept presents its products in [a nice interactive slide show](#) with clear explanations and references to fashion trends.

### Your country's image counts

Some production countries have a bad reputation in Europe because of political instability, human rights violations, corruption or travel safety. In such cases, you should try to adjust your company policy to mitigate these perceptions. Study your country's score for [ease of doing business](#), [level of corruption](#), [safety risks](#) and [CSR risks](#), and try to adjust your company policy to address possible issues.

#### Tips:

When participating in an event where you can meet potential buyers, such as an online matchmaking event, a trade mission or a physical trade fair, create a list of potential buyers and inform them about your participation. Do the same for current buyers. Research the target group, prepare a nice-looking presentation, or a booth in the case of a trade fair (hire a professional designer), create a special collection using unique designs and qualities and advertise your USPs clearly.

Check upcoming online trade shows at [Fibre2Fashion](#) and [FashionUnited](#).

When you participate in a trade fair and potential buyers are passing your booth, make them feel welcome. Stand up and ask how you can help them. Don't eat in your booth and don't stare at your phone. When you are talking to a potential buyer, put your phone on silent mode.

Advertise your CSR-standards in your booth, by hanging up posters showing the logos of the standards and certifications that you have. This is very common at trade fairs in Europe.

When wrapping up a conversation, confirm the agreements that you have made during the conversation. Never say goodbye before you both agree on the follow-up.

Follow up on appointments that you have made with a potential buyer within 24 hours. Send promotional materials, samples or answers that they have asked for. If you don't have any materials, samples or answers yet, at least manage expectations. Thank your buyer or prospect for the chance to connect and tell them when they can expect to hear from you again.

## 8. Stay in contact with your buyer regularly

One of the main complaints that European buyers express about suppliers from developing countries is that they do not communicate well. If you want to grab — and hold — the attention of your buyer or prospect, you need to be proactive, punctual, polite and clear.

This means, for example, that you must be prompt and honest in answering emails, provide clear information, be reachable to your customers, notify them of changes, delays or problems, and stay informed about their business by following their developments, asking questions and trying to understand their challenges.

### Tips:

Always reply to an email or call from a buyer or prospect within 24 hours, even if it is just to confirm that you have received the message and you will reply more elaborately at a later moment.

Try to minimise the number of emails. Make a T&A (time and arrival) plan, in which you indicate what type of information is to be exchanged next, or which action is to be taken, and when.

For short updates via text, photo or video, try [WeChat](#), [WhatsApp](#) or [Signal](#). To make free video and conference calls, you can also try [Skype](#) or [Google Meet](#).

Make it part of your strategy to regularly contact and visit your buyers if the situation allows it. Try to see your buyer face to face at least once every season.

Be honest and upfront if problems arise. It is better to try to find a solution at an early stage than to put off until matters are getting out of hand. Try to resolve any issues face to face, or at least by phone. Taking the trouble to discuss problems openly will strengthen the collaboration, as you work together to find solutions.

## 9. Keep buyers happy by finding out their expectations, then try to exceed them

Finding new buyers takes a lot of effort, so it is important to keep the ones you have. On top of all legal requirements and the non-negotiable requirements your buyer has, he or she also has many expectations of you. Try to find out what they are. If you don't yet meet all these expectations, try to improve. If you do already meet them, still try to improve and exceed them. This should be a continuous process.

It is not very common in the fashion industry to share evaluations between buyers and suppliers. By doing this, you can stand out of the crowd. Define a set of key performance indicators (KPIs) and measure them throughout the year. For example: 'How much time do I spend on this buyer? What is the ratio between samples and actual orders? How many rejections do I get? How many claims? What is my revenue?'

Your buyer will have KPIs for you too, although he or she may not share them with you. Buyers will measure things like: 'How many orders has this supplier delivered on-time? How many quality complaints do I have? How is the design input and the fabric sourcing? What is the price level compared to my other suppliers? How are the items selling in the shop?' By measuring your performance and asking for a yearly evaluation meeting, you can find out your buyers' implicit requirements, prevent issues and work to exceed expectations.

### Tips:

Ask your buyers what they precisely expect regarding product quality, rejections (acceptable quality level), price level, delivery speed, flexibility, product design, fabric sourcing, communication, service level, transparency and CSR. Also try to find out how your buyer expects this to develop in the future.

Define KPIs for your business relationship with your buyer, measure and ask for a yearly meeting with your buyers to evaluate your relationship.

Read the CBI study on [apparel buyer requirements](#) to learn what mandatory requirements and other expectations European buyers have.

Avoid building and maintaining a relationship only with your buyer's sourcing manager. Try to get in contact with the management team as well. Sourcing managers tend to regularly change jobs. When you have a good relationship with management, you don't have to start all over with the new sourcing manager.

If your sourcing manager changes jobs, stay in contact. They may introduce you to a new buyer.

## 10. Join an export coaching programme

Joining an export coaching programme is an excellent way to learn more about European business culture. These programmes can also help you find your unique selling points and introduce you to potential buyers. There are several international organisations that can help you analyse and improve your performance. The topics that they cover range from sourcing materials and production to sales and marketing. Many programmes also have a matchmaking component.

### Tips:

CBI offers export coaching, including marketing advice and matchmaking, such as in trade fair participation, to SMEs in 35 countries. Check the CBI website for an [overview of current apparel programmes](#).

Other organisations that regularly offer coaching programmes for apparel exporters in developing economies include the [UNDP](#), [DFID](#), [DANIDA](#), [ITC](#), [GIZ](#), [ICCO](#), [SIPPO](#) and [Solidaridad](#).

[PUM](#) is a Dutch NGO that offers practical support by senior apparel industry experts from the Netherlands. Be specific in your request. Some PUM coaches are experts in production management, others know more about marketing and sales.

Investigate if your country has a support organisation for exporting apparel to Europe, such as India's [AEPC](#) or Egypt's [ETDA](#).

Connect with different NGOs active in your country and ask if you can join an export coaching programme.

## 11. Focus and expand your business

Many manufacturers make the mistake of doing business with many different buyers in different niches and price segments. Having too many different buyers complicates business and will hamper your growth. With

every buyer comes a different communication process, different materials, machines, machine settings and skills and different CSR requirements. Your employees won't specialise themselves when they always work on different styles. This hampers efficiency. Focus on the buyers that can make your business grow.

### **Tips:**

Regularly analyse your buyer portfolio. A rule of thumb is that your top-three buyers should represent 80% of your total turnover. The remaining 20% can be a mix of many different buyers. At the same time, prevent your company from becoming too dependent on one buyer. Always make sure your buyer portfolio enables you to move in case of changing business or price pressure.

Investigate your prospect or buyer to decide if he or she fits your company strategy. If that is not the case, you should consider turning down a request for quotation or stopping the business, if it is an existing buyer).

Measure the profitability for every individual buyer every season. Be ready to change your business conditions or even say goodbye to certain buyers to keep your portfolio healthy.

When you are working successfully for a department within a buying company, the women's fashion department, for example, it makes sense to approach other departments in the same company, such as men's or children's fashion. This prevents too much dependency on one department or one contact person.

### **Further reading**

- CBI's [10 Tips for finding European buyers](#) will help you understand where you can find interesting prospects and how to approach them.
- CBI's [10 tips for organising your exports to Europe](#) will give you quick answers to the most pressing issues that come into play when organising your product's shipment to Europe.

This study was carried out on behalf of CBI by Frans Tilstra and Giovanni Beatrice for [FT Journalistiek](#).

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