

MARKETING CONSIDERATIONS

Canadian firms have a choice of three approaches to marketing: they can sell to a wholesaler, who is sometimes called an importer; they can sell through an agent; or they can sell directly to processors or central purchasing agencies.

Wholesalers are trading firms that buy goods for resale to users, central purchasing agencies or independent supermarkets. Goods are often left in refrigerated warehouses in Le Havre until they can be sold off in smaller quantities.

Agents do the same sort of business as wholesalers, but they work on commission or for a fee set in advance. Some of them advertise and otherwise represent individual firms on an exclusive basis. They take no financial risk. Processors obtain their supplies primarily on the French and European markets. They may buy direct or from wholesalers and agents.

Central purchasing agencies have grown up with the rise of large-scale distributing and specialized stores such as freezer centres and diet-food stores. It is much more unusual to find them associated with restaurant chains, such chains themselves being relatively rare in the fish-and-seafood field. Not all purchasing agencies import directly. The seven largest of them are Scagel/Scamer/Intermarché and Galec/Leclerc, which import some of their products directly, followed by Carrefour/Euromarché, Auchan, Promodes/CAP/Continent, SCA/Monoprix, and Casino.

Ready-to-sell products such as packaged frozen salmon and frozen lobster in brine ("popsicles") and, at the end of the year, live lobster as well are often sold to these agencies directly or through a single middleman who is in charge of importing for them. Dealing with these central purchasing agencies, which are very powerful and sometimes unethical, is always difficult, and caution is advised.

OFFERS

Products for sale must be identified with their French and Latin names, and the quantity must be indicated. Confirmation of the customs category and the duty applicable to the product should be obtained before sale. In the case of frozen products, the quantity will frequently be a 20-foot or 40-foot container. It is important to determine what type of presentation (e.g. cases) is desired. Offers must be made in whatever currency the two parties have agreed upon.

The conditions of payment that we recommend are the letter of credit (for initial transactions) or documentary credit (for subsequent transactions). If the transaction is concluded without a guaranteed payment method, we recommend that an ownership qualification clause be included in the contract, and that it be formulated as follows: "The goods remain the property of the vendor until payment in full of the invoice (law of 12-5-80)."

Much longer-term payment conditions (30, 60, and sometimes even 90 days) than in Canada are the rule in France, but we advise Canadian exporters to beware of accepting overly extended payment terms, as any disagreement over the goods or delivery conditions is then fraught with much greater difficulties... Prices should be quoted CIF Le Havre in accordance with the Incoterms in effect (CIF price). Note that the Incoterms changed slightly in 1990.