

## Ten Tips: Small Countries Deliver Big Business

Are you selling more to Ireland, Iceland or India? To the Bahamas, Baltics, or Brasil? UAE or United Kingdom? Small countries offer solid business opportunities, with lower complexity and investment required. All companies export development plans should include a mix of strategic countries like China and the USA (Europeans) plus revenue generators with fewer than ten million people. Listed below are Export Solutions' ten tips on why small countries deliver big business.

### 1. Limited Local Production

Small countries are highly dependent on food imports. Even multinationals tend to locate factories in larger hub countries. This creates the opportunity for exporters to fill a high percentage of a small countries food supply requirements.

### 2. Distributor Model – Primary Route to Market

Most companies partner with distributors in these countries. Leaders like Nestlé and Unilever may find it more productive and efficient to use distributors versus establishing a local subsidiary. For example, Export Solutions' distributor database supplies information on 54 distributors in Panama, 76 in Kuwait, and 66 distributors in Croatia.

### 3. Value Chain – Level Playing Field

Brands are frequently able to compete on a level playing field in smaller countries. Most products maintain similar cost structures with importation fees, distributor margins, and retailer margins. International brands do not suffer the same type of price gap problems versus homegrown brands as they encounter in large countries with local plants.

### 4. Low Complexity – Ship and Sell

In many cases, you are able to sell existing Made in the USA or Europacks. Compliance may be achieved with a small, distributor applied sticker. Many countries in this cluster do not require a lengthy registration process accepting USA or European standards.

### 5. Brand Awareness Exists

Surprise! Some consumers in an adjacent small country will already be aware of your brand. This could result from cable TV advertising or visits from their citizens to your country. Costa Rica, Malta, and the Caribbean represent tourist hubs. These popular hosts feed seasonal residents from the mainland and boatloads of visitors hungry for their favorite brands.

### 6. Reasonable Cost of Entry

Launching a new brand is economical. Retailers are frequently happy with a "free fill" of the first order versus an excessive listing fee. Demos in a handful of high profile stores will create visibility. Distributors appreciate your existing point of sale materials.



### 7. Best in Class Distributors

Some of the best distributors of the world are based in small countries. The reason is that even enormous multinationals partner with distributors in these regions. This propels the leading players to top ten suppliers to the retail trade. These distributors implement the best practice models from companies like Procter & Gamble and apply them to all the brands in their portfolio. I witness many examples where a powerful distributor creates a huge success story for a smaller brand based upon their marketplace clout.

### 8. Currency and Freight Impact

Many countries consider the USA dollar or Euro as legal tender. This reduces the impact of currency fluctuation and perhaps some financing charges. Small countries that depend on imports across all industries enjoy frequent freight service. This creates competitive rates and potentially lower logistics costs.

### 9. Distributors: Excellent Relationships and Coverage

Everyone knows everyone in these countries. Distributor owners emerge as respected community leaders. They know how to get things done. Distributors are forced to be generalists, selling to all customers across all channels and all regions within a small geography.

### 10. International Brands: Affordable Luxury

Consumers take pride in offering their families the best food treats from overseas. These world class brands may only be a few cents more expensive versus private label type options which face similar cost structures.

Export Solutions serves as a distributor search "helper," with 300+ projects completed for more than 50 companies of all sizes. Contact us to leverage our distributor database and strong relationships with distributors in 96 countries.