



Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time *Selling* to Distributors versus *Searching* for Distributors”

Sweets – Middle East

Looking for international confectionery distributors? How about 2,500 of them in 96 countries? Export Solutions’ distributor database now covers more than 8,600 distributors in 96 countries, including an average of 26 per country handling confectionery and snacks. New! Export Solutions’ retailer database now tracks 2,400 retailers in 96 countries. Get ready for Gulfood! Our databases track more than 850 Middle East distributors plus 131 retailers in 12 Middle East countries. Order now at www.exportsolutions.com.

Plan to Thrive in 2025



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Searching for New Distributors?

How big will your international business be in 2025? A successful global strategy reflects a realistic mix of aspiration and investment. The road to 2025 contains speed bumps, with a probability of recessions, currency fluctuations, and a precipitous decline in sales through conventional supermarkets. The good news remains that more of the world’s 8 billion consumers will live better and eat healthier. This will stimulate demand for the added value food, beverage and personal care brands we produce. One fact remains indisputable: international development will dominate as the primary growth engine for all mid- to large-sized consumer focused companies.

E-Commerce Disruption

How large will e-commerce become? Can you envision a world where e-commerce accounts for twenty

percent of sales and that Amazon appears as your top customer? How will you restructure your business to optimize sales through online retailers? A logical first step is to select an e-commerce channel champion and treat Amazon as a major global key account like Walmart or Carrefour. Another initiative involves rethinking your packaging strategy to supply selling units that are “post friendly” and can be mailed cost effectively. Companies will hire armies of data analysts to research online purchasing habits and apply the insights to products sold through brick & mortar. No physical space limitations appear in cyberspace, encouraging brands to expand their product portfolio and test options without the physical handcuffs of shelf space and listing fees. Hire young people to lead the cultural shift from marketing through

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supermarket showrooms to menu based marketing choices from Amazon.

China Syndrome

The food industry spent the last ten years chasing futile BRIC dreams in China and India. The expensive conclusion indicates that it is difficult to convince Asian consumers to change their meal habits to incorporate western staples like breakfast cereal and pasta. The reality reveals that Asians achieved better success at exporting their Chinese, Thai, Japanese, Indian, and Korean food to us than we have in converting them. Credit confectionery and snack, personal care, and Starbucks as rare examples of western categories achieving success. Asia will account for sixty percent of the world's mouths in 2025, including 2.8 billion people in China and India. The Asian solution is to adapt our product recipes to meet Asian taste profiles or to acquire Asian companies as a platform to build critical mass.

Established, Developing, Pioneer

A critical decision revolves around resource allocation between three market clusters.

Established markets represent the historical base business, accounting for the bulk of sales and "paying the light bills." In these countries growth rates exceeding five percent are challenging without buying market share in flat categories.

Developing countries are attractive green sprouts where you have planted seeds of presence and are beginning to gain traction. These countries may offer the largest potential source of new revenue. However, brand owners must acknowledge the initial progress and transition your route to market model and thinking from "niche exports" to mass market player to optimize results.

Pioneer countries emerge as large markets like the USA (for Europeans), China, or Brasil where your company claims sales, but fails to register meaningful market share. Success in pioneer countries requires significant investment to build your brand "The Right Way" (see page 3 chart).

Boots on the Ground

How many members of your export team are based outside your home country? In the 2000's, exporters managed from headquarters, with roving missionaries swooping in for a distributor meet and greet, store check, collect your frequent flier miles, and off to the next stop. In the 2010's, producers established regional hubs in comfortable expat locations such as Dubai, Singapore, and Miami for Latin America. Today, success in important countries like Mexico, Saudi Arabia, and Indonesia will be directly proportional to the size of your market based team. Best in class distributor's energy is focused against brands with local management oversight, leaving little bandwidth for companies that show up once a year.

Digital Distributor

Winning distributors will invest to create deep capabilities serving e-commerce customers and facilitate the transition to digital marketing. Owners will need to source new logistics

5 Critical Questions to Thrive in 2025

1. Are we willing to pursue international acquisitions?
2. Would your company consider overseas contract packing (versus export)?
3. Can we test a high spend investment plan ("The Right Way") in a strategic country?
4. Would your company invest aggressively in offshore head count in advance of sales?
5. Europeans: can we develop the USA market implementing the USA playbook? USA factory, broker network, competitive pricing, USA team, channel strategy, 30-50% trade promotions?

solutions for e-commerce and redefine the brand manager role to pursue excellence in deploying social media strategies. If they cannot adapt, old school distributors may retain responsibility for the shrinking supermarket channel, while a new modern breed of distributors handles the high growth, e-commerce business.

ESG Strategy

New consumers will support brands with a well articulated Environmental, Social, and Governance (ESG) strategy. Walmart recently shared a ninety four page update on their scorecard progress. Unilever reported that their purpose led, sustainable living brands were growing 69% faster than the rest of the business and delivering 75% of company growth. "Better for you, better for the environment" brands will enjoy bright prospects for international expansion. New data transparency tools will allow consumers to compare labels and ingredients instantly online or in-store.

Private Label vs. Personal Label

European and Northern American retailers boosted profit margins while sacrificing sales per unit through aggressive private label expansion strategies. For many reasons, private label development remains low in new markets of Asia, Middle East, Africa, and Latin America. The explosion of e-commerce presents further challenges to private label, as consumers will appreciate a broader selection of competitively priced brands to choose from. A new initiative could be the development of "Personal Label" products where a consumer may enjoy more options in adapting a product to meet their individual specifications.

Road Ahead

What changes will you make to your 2025 road map? Smart exporters source clues from global trends and apply to their planning model. Looking for strategies to thrive in 2025? Export Solutions can help!

“The Right Way” – New Country Launch

Retail buyers and distributors are receptive to brand launches from multinationals. Why? Multinationals succeed, as they introduce new products “The Right Way.” Export Solutions recaps 30 components of launching “The Right Way.” Exporters create magic with limited budgets! Winners check as many boxes as possible on “The Right Way” scorecard.

Product	Retailer
<input type="checkbox"/> Meaningful innovation – not “me too”	<input type="checkbox"/> Boost category sales, margin, and profit
<input type="checkbox"/> Consumer market research insights	<input type="checkbox"/> Syndicated data (Nielsen) – category facts
<input type="checkbox"/> Technical confirmation of product differentiation	<input type="checkbox"/> Invest in retailer “push” programs
<input type="checkbox"/> Reasonable retail price – premium (not sky high)	<input type="checkbox"/> 4-6 high value promotional events per year
<input type="checkbox"/> Test market results – similar country or retailer	<input type="checkbox"/> Retailer VP, distributor CEO at intro call
Marketing	Excitement
<input type="checkbox"/> 360 marketing plan: TV, in-store, social, PR	<input type="checkbox"/> Launch party – memorable location
<input type="checkbox"/> Sampling	<input type="checkbox"/> PR, social media, trade press
<input type="checkbox"/> Social media	<input type="checkbox"/> Celebrity endorsement
<input type="checkbox"/> Displays: end of aisle and shelf blocks	<input type="checkbox"/> Distributor sales contest
<input type="checkbox"/> Special offers – retailer fliers	<input type="checkbox"/> Donation to local charity
Team	Scorecard
<input type="checkbox"/> Distributor – best in class, category expert	<input type="checkbox"/> Year 1: invest; year 2: break even; year 3: profit
<input type="checkbox"/> Local manager – launch oversight	<input type="checkbox"/> Sales volume (retail sell-out)
<input type="checkbox"/> Marketing, social media, PR agencies	<input type="checkbox"/> Market share
<input type="checkbox"/> Brand/technical resource from headquarters	<input type="checkbox"/> Retail availability (weighted distribution)
<input type="checkbox"/> Total distributor engagement: reps. to CEO	<input type="checkbox"/> Year 2 commitment and enthusiasm