



Export Express

Insights to Accelerate International Expansion



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

Looking for New Distributors?

How about 9,000? Export Solutions’ distributor database has helped 3,000 brand owners in 14 years speed up the process of finding qualified distributors. Our database covers more than 9,000 distributors of supermarket and drug store type products in 96 countries. Search by country, category, brand name, or country of origin. Experts for Middle East, Latin America, and Asia with complete regional coverage. “Spend time selling to distributors versus searching for distributors.”

In This Issue

Page 1

Middle East – Hot Markets 2022

Page 2

Business Travel Rehab

Page 3

Everyone Loves Samples – Ten Tips

Page 4

**Are Distributors Interested
in Your Brand?**

Page 6

30 Ideas to Help Your Distributors

Page 9

**“The Right Way” –
New Country Launch**

Middle East – Hot Markets 2022



The price of oil has almost doubled in the last year, signaling more sunshine ahead in the Middle East. Oil revenues fuel investments in construction and attract millions of contract workers to the region. Tourism outlook is bright, driven by Expo Dubai, World Cup Qatar, and Saudi Arabia unveiling new strategies to attract visitors. Most companies sell their brands in the United Arab Emirates, but lack the patience to tackle Saudi Arabia, the biggest opportunity in this region of 300 million people.

All about the Oil!

Evaluating the Middle East requires you to segment countries into two groups: countries with oil reserves and countries with no oil. Consumers in countries with oil possess the purchasing power to buy international brands. Local industry concentrates on oil and related services. Most food and consumer products are imported, generating an enormous market for foreign brands. This creates a more positive environment versus China and Brazil where exporters compete with

cost-efficient local producers. Savvy, well-travelled Arabs demand international brands with the highest standards. Oil rich countries like Saudi Arabia and Kuwait feature significant expatriate populations hungry for their favorite brands. Citizens of countries like Egypt and Jordan, which do not have oil, find it tougher to afford imported products.

Pricing & Profits

Three factors contribute to solid levels of profitability for industry players. Most manufacturers partner with strong distributors, eliminating most fixed costs associated with running a subsidiary. A level playing field exists as most brands use distributors and the distributor margin becomes part of the pricing calculation for everyone. The trade remains fragmented, with an expanding supermarket channel competing with the traditional bagala (small shop) outlets. This facilitates rational pricing and avoidance of bloody annual negotiation rituals that are common in Europe. Wealthy locals

continued on page 7

Middle East – Hot Markets 2022

continued from page 1

and western expatriates on lucrative work contracts are more concerned with international brand availability versus paying a modest premium for their favorite products.

Saudi Arabia – Big Prize

Saudi Arabia's 35 million population plus ownership of 20% of the world's discovered oil reserves ranks it as the strategic centerpiece of any Middle East development plan. I was fortunate enough to live and work in Saudi Arabia, managing the Gulf region for Clorox. Saudi Arabia represented more than half our total Middle East business, exceeding all the Gulf countries combined. Successful brands still source around 50% of their Middle East business from Saudi Arabia. An appropriate strategy is to dedicate focus on "winning in Saudi Arabia" versus collecting a series of smaller businesses in adjacent countries. Saudi Arabia is blessed with strong distributors and high acceptance levels of "Made in the USA and Europe" brands.

Carrefour & Lulu

Modern retail leaders Carrefour and Lulu dominate the region, especially for international brands. Carrefour features more than 300 stores across nine Middle East countries. Hypermarkets are their primary model, supplemented by a mix of supermarket and small format stores. Carrefour appeals to middle class consumers and is strongest in UAE and Egypt. Lulu is expanding quickly, with more than 200 stores, including 10 new

outlets in 2021. Lulu caters to the general market and is making aggressive moves in Saudi Arabia and even India. Both Carrefour and Lulu drive volume, but expect to invest to fund listing fees, mass displays, and shelf visibility programs.

Don't Forget Israel!

Israel is an affluent country of nine million people. Most USA brands are well known to Israel through its close trade and political relationships. In 2020, Israel normalized diplomatic relations with UAE and Bahrain, opening new trade opportunities. Israel features a strong distributor community, including 77 covered in our Export Solutions Distributor database.

What about Iran & Iraq?

I receive countless inquiries about Iran and Iraq. Both represent attractive "future" markets due to oil reserves and large populations – Iran (85 million), Iraq (41 million). However, my guidance is to optimize your business in other markets prior to tackling these highly complex countries. If you have a global brand, extensive financial and "on the ground" resources, perhaps you qualify as a company that should attack these markets. Otherwise, wait!

925 Distributors – 13 Middle East Countries

Export Solutions' database features excellent coverage of the region's powerful distributor community. This includes more than 900 companies across 13 countries, an average of more than 69 distributors per country. This includes

Country	Population (millions)	GDP per Capita
Saudi Arabia	35	\$23,000
UAE	10	\$40,000
Israel	9	\$45,000
Kuwait	4	\$32,000
Qatar	3	\$55,000
Oman	5	\$15,000
Bahrain	2	\$19,000
Jordan	10	\$5,000
Egypt	102	\$4,000

specialists in handling big brands, personal care, confectionery, international food, and beverage products. There is a wide range in distributor capability from enormous selling "machines" with 250+ employees to small niche entrepreneurs. Key is to select a local partner that aligns with your brand aspirations and investment strategy.

Strategic Next Steps

Analyze your current business in the Middle East. What are the white spaces in your Middle East coverage map? How well are you doing in Saudi Arabia in terms of market share and shipments? Are you aligned with the right distributors? Consider attending or exhibiting at Gulfood, held each February in Dubai. Export Solutions maintains 20 years of experience in the region, including 3 years "on the ground" in Saudi Arabia managing the entire region. Looking for new growth in 2022? Export Solutions can help!

Talk to an Expert

- International Strategy Road Map
- Fix Problem Markets
- Entry Plans
- Find Distributors in 96 Countries
- Export Workshops
- Motivational Meeting Speaker



Contact Greg Seminara at greg@exportsolutions.com to discuss your business development project.

www.exportsolutions.com