

Export Express

Insights to Accelerate International Expansion

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

1,200 USA Experts

Export Solutions features the most extensive database of USA food brokers, distributors, and importers. Our proprietary information covers experts dedicated to every USA trade channel, major customer, and region. This includes specialists for Italian, Spanish, British, German, Asian and Hispanic food plus other supermarket categories. Export Solutions tracks more than 575 food brokers, as well as 654 food importers and distributors. These lists can be purchased individually or as part of an annual subscription to our database which covers 96 countries and more than 9,600 distributors. Access now at www.exportsolutions.com.

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**How Well Do You Know the USA?
50 Industry Terms and Definitions**

Grab your Slice of the American Pie



The USA has served as a growth market for European traders for more than 400 years. Waves of immigrants have landed on the USA's welcoming shores. Early arrivals hailed from the United Kingdom and France. Slavery delivered more than 600,000 Africans between 1700-1820. The industrial revolution lured people from European countries including Italy, Germany, Ireland, Greece, and Sweden. The last 50 years have redefined the USA again with almost 65 million citizens of Hispanic descent and 20 million of Asian heritage. The result is a melting pot of cultures which creates a unique appreciation of food from every corner of the world.

USA Today

The USA is the world's largest consumer market with 338 million people and retail sales exceeding one trillion dollars. It's a young country, with 31% of the population under the age of 25. Many exporters make the mistake of labeling the USA as a “mature” market, with low

growth expectations. The reality is that the USA offers some of the best opportunities on the planet. This fact is validated by the combination of a large, wealthy population, that is adventurous in food habits. The retail industry is robust, with large stores bursting with food choices from around the world.

Export Solutions recognizes that most overseas companies maintain some business in the USA. Brands remain frustrated by their inability to generate sales beyond “homesick expats” to mainstream American consumers. Fortunately, the USA is an “open market” with proven strategies for brand expansion, even with premium pricing strategies. Export Solutions' role is to serve as an accelerator for international companies aiming to grab a “larger slice of the USA pie.” Our popular recipe includes practical commercial strategies, insights, contacts, and facts for international brands looking to drive their USA sales to the next level.

USA: Bigger than BRIC?

The state of California ranks as the world's 8th largest economy, larger than India or Italy. USA population expanded by 56 million people since 2000, an increase greater than the size of Spain. Americans are spenders by nature, with 85% of the population able to regularly purchase supermarket brands. All international companies export to the USA, but per capita sales levels are usually very small relative to potential. Export Solutions believes that many international brands would see a higher return on investment through efforts to build a stronger franchise in the USA versus waiting for "BRIC dreams to come true."

Global Marketplace

Americans are spoiled with an overwhelming assortment of food options. An average USA supermarket stocks more than 40,000 unique items in a 50,000 square foot store. Shelves showcase products from around the world. During one week, a typical family would enjoy a mix of Italian, Mexican, and Asian food to supplement meals based upon meat, vegetables, and potatoes. American cuisine has assimilated into international cuisine reflecting the rich heritage of ethnic diversity. This creates an open gateway for brands from every continent.

Americans are receptive to new and emerging flavors which is a significant point of difference versus BRIC markets which tend to remain glued to traditional eating habits and choices.



13 Different Trade Channels

USA retail business exceeds 1 trillion dollars, through 13 unique trade channels. Each USA trade channel maintains a unique set of buying practices and selling experts. 40,000 supermarkets account for 52% of the food business, followed by 4,000 Supercenters (primarily Walmart), and 1,400 high volume Club stores. Gourmet food stores such as Whole Foods and ethnic supermarkets

represent core outlets for international brands. Sales via the internet are an emerging, high growth, channel offering visibility and availability. Homesick expatriates and food enthusiasts now discover hard to find products instantly online versus the historical approach of hauling overweight suitcases from trips overseas. Foodservice is an enormous channel, but focused on commodity products produced in the USA.

USA Fast Facts

Population	338 million
GDP/Per Capita	\$83,060
Number of Supermarkets	40,000
Gross Margin (Supermarket avg.)	28%
Slotting Fee (avg. per store/item)	\$50
Food Brokers	575
Food Importers/Distributors	654

Three Phase Approach: Crawl, Walk, Run

Too many international brands are misaligned with a focus to sell to Walmart or even Kroger before they have established a meaningful track record with other retailers. A key insight is a finely tuned strategy focused on winning with a few high potential, trend setting retailers prior to approaching the "Giants." Normally, we recommend initial focus on ethnic and gourmet retailers such as Whole Foods and Fresh Market. After success, consider expansion to upscale supermarket chains such as Wegman's and Harris Teeter. Phase III should provide a track record and investment base to approach mass retailers such as Walmart, Kroger, and Albertsons.

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USA: Bigger than BRIC?

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Who is Your Food Broker?

Food brokers dominate sales through the USA supermarket channel. Brokers provide critical mass and local relationships. Services include key account sales, category analysis, trade marketing, and essential retail coverage. Store level representation is mandatory to insure compliance with headquarter authorized plans. Brokers range in size from the massive “Big 3” which feature more than 20,000 employees each to smaller specialists focused against one retailer. Export Solutions’ database tracks over 575 brokers covering all markets and channels. Leading USA importers partner with brokers to provide the local expertise and store merchandising services required to succeed.

Calibrate Expectations to Investment

Imagine approaching Carrefour, Metro, or Tesco with a new brand with “net, net pricing” and limited marketing support. The USA market is no different, with a menu of account specific programs required to build your brand. If you don’t

invest, you will always be anchored to niche status at best. Retailers such as Costco with their demo programs and Shop Rite retain good reputations for delivering incremental cases for your trade spending.

Success Stories:

Barilla, Bonne Maman, and Walkers

Case studies exist for international brands to successfully develop the USA market. Barilla is the USA’s leading pasta brand. Success strategy included building a USA factory to offer competitive pricing, highlighting their Italian heritage, and alignment with a leading USA food broker. Bonne Maman and Walker’s trajectory followed patient paths. Both brands built a base in the upscale retail sectors, before moving mainstream to mass availability. A core message was the ability to upgrade category sales and profits with a high quality, premium option. Both companies invest in having USA based sales managers versus managing via remote control from Europe. Other European brands have developed massive businesses through unique programs dedicated to Costco.

USA Business – Next Level Strategies

European brands frequently hire Export Solutions to provide insights on taking their current USA business to the “next level.” Our sales oriented approach involves market analysis, “lessons learned” and recommendations of sensible options to grow your business. Suggestions normally include laser focus on brand building at high potential customers plus best route to market partners (importers/brokers) by trade channel.

The USA still offers tremendous growth opportunities for many international brands. USA success requires the same formula as BRIC markets. Higher levels of investment may be required to win in the USA. However, market dynamics are more transparent than BRIC and purchasing power ranks among the highest in the world. Contact Greg Seminara at gseminara@exportsolutions.com for more information on taking your USA business to the next level.

Good USA Chains for International Brands

Retailer	Type	Sales (billions \$)	Stores
Ahold-Delhaize	Supermarket	57	2,051
HEB - USA	Supermarket	40	350
Meijer	Supercenter	24	266
Wakefern/Shop Rite	Supermarket	20	361
Whole Foods	Gourmet	18	530
Hy Vee	Supermarket	13	285
Wegmans	Supercenter	12	110
Giant Eagle	Supermarket	11	216
Harris Teeter	Supermarket	9	260
Sprouts	Gourmet	7	415
Raleys	Supermarket	5	121
Fresh Market	Gourmet	1.8	160
World Market	Gourmet	1.0	240
Gelsons	Supermarket	0.8	27
Kings	Supermarket	0.4	19



HomPort Strategy

2024 is the year to pursue your American Dream. 338 million people, big stores, and adventurous consumers with spending power establish the USA as the top opportunity. Most international brands are available sporadically in the USA, but sales levels fall far below potential. Many companies fail to achieve their ambitions, as they treat the USA as "Export Country #31," with a "copy/paste" approach from exports to smaller countries.



Export Solutions
Distributor Identification Experts

HomPort reflects the fusion of success strategies from your home base adopted for an export model. This incorporates fundamentals like market research, product innovation, and a strong local sales team. In practice, it signals a unique model for the USA, with stronger organizational and investment commitments delivering a larger size of the prize.

Strategic Services

Contact Us for
Export Solutions

1. Identify Best in Class
Distributors: 96 Countries
2. Best Practices
Export Strategy
3. Distributor Management
Workshops
4. Export 101:
Let's Get Started
5. New Market
Prioritization
and Launch Plan
6. Personal Distributor
Introductions:
96 Countries
7. Walmart International
8. Distributor Contracts,
Margins, and Fees
9. Meeting Speaker
10. International
Strategy Expert

1. Range Review

Overseas companies usually default to their best sellers from back home. However, what may sell well in your country may represent an unfamiliar taste or meal pairing for the USA. Consider a product range just for the USA, with bold, colorful graphics to justify a premium pricing positioning. Herdez, a billion-dollar Mexican food player, created a winner with their Guacamole salsa range.

2. Target Upscale Retailers: "From High Class to Mass."

The USA features more than 460 retail banners. Focus your activation efforts at high-profile "influencer" retailers that are viewed as new product pioneers. Consider Kings, Roche Brothers, Fresh Market, Heinen's, Harris Teeter, Central Market, Gelsons, and Erewhon.

3. Hi-Low Promotions

One report revealed that over 40% of USA purchases were stimulated by a price discount. In the USA, consumers are geared to stock up via "Buy One Get One" and "2 for \$5" type offers. Consider higher everyday prices with deep discount promotions four times per year.

4. Are Your Brokers the Right Fit?

Some international brands work exclusively through their importer, missing the vital connection to the broker who owns the customer relationship. Massive national brokers like Acosta and Advantage with 20,000 employees and armies providing store-level merchandising service offer a different model than niche specialty food brokers selling through UNFI and Kehe. Aim for motivated local brokers with experience executing trade promotion strategies and offering retail coverage.

5. Boots on the Ground

You must have someone based in the USA working with your brokers "day to day." Options include a dedicated (or shared?) employee or a broker management group that offers scale to emerging brands. Locate your person in a central hub like Atlanta, Dallas, or Chicago with optimal time zones and easy flight connections.

The USA offers potential to become the "second home" for companies willing to follow the clear path to market development. International companies need to reflect on the lessons learned from their biggest country and apply these fundamentals to the USA. Success in the USA represents a larger new business opportunity than all other "export" countries combined for those committed to the principles of HomPort!

Greg Seminara
greg@exportsolutions.com

"Spend Time Selling to Distributors versus Searching for Distributors"

Buyer New Item Scorecard Score _____

Criteria	Weighting	Rating	Evaluation Factors
Product Innovation	20%		<ul style="list-style-type: none"> • High growth category or mature? • Taste or performance • Differentiation vs. current assortment • Consumer research insights
Saleability	20%		<ul style="list-style-type: none"> • Packaging attractiveness • Retail price point vs. category norms • Sales turnover at other market retailers
Promotion Plan	20%		<ul style="list-style-type: none"> • Size of investment...\$\$\$ not percentage • Consumer marketing: sampling, digital • Trade: listing fees, trade allowance level • Participation in retailers' programs
Team	20%		<ul style="list-style-type: none"> • Distributor/Broker: category experts? • Logistics service level • Merchandising team to service stores
Size of the Prize	20%		<ul style="list-style-type: none"> • Incremental category sales • Incremental category profits/margin • Realistic projections (data)
X Factors			<ul style="list-style-type: none"> • Do I love/"believe" the story? • Does the item sync with corporate goals? • Will this product appeal to our customers? • Will it sell better than the item it replaces?

Greg's Ten Tips

1. Good news travels fast and bad news travels slowly
2. If you want to know what's really going on, spend a day visiting stores
3. Pick up the phone and call a friend or business partner versus email
4. Be positive. Think, "why not?"
5. Results are directly proportionate to your investment: Marketing, People, Focus, Time
6. A distributor (or Broker) "respects" what the Brand owner "inspects"
7. Shipment numbers rarely lie
8. Put it in writing
9. If two people agree on the principle of a deal, you can usually work out the financial terms
10. There is more in common with industry practices across the globe than differences. Brand owners everywhere desire more shelf presence and retailers demand more discounts. Recognize the differences, but focus on the universal requirements for innovative products supported by marketing and trade investment.

USA Acceleration Strategy

Export Solutions Can Help

- **Analyze USA opportunity for your company:**
Category review, gap analysis, and “size of the prize”
- **Next level development plan for brands already selling in the USA:**
What’s working? What’s not working? What to do next?
- **Broker/Distributor/Importer Identification:**
National, Regional, or Trade Channel specific solutions. Export Solutions database tracks 575 USA brokers and 654 distributors/importers.
- **Develop strategic plan for USA:**
Priority brands, pricing model, regions, customers, and partners.
- **Are you ready for USA?**
Getting listed: launch plan, company credentials presentation in USA format.



Hire a USA Expert

- USA strategy recommendation
- Category analysis and plan development
- Identify priority channels, regions, and retailers
- Broker/Distributor identification Specialist
- Have a USA pro with 20+ years experience on your team



Contact Greg Seminara at
(001)-404-255-8387 to discuss your
USA development project.
www.exportsolutions.com



USA Case Studies

Export Solutions helps International brands improve their USA sales or gain initial entry to the USA

Client: Leading European Canned Food Brand

Project: Design USA entry strategy and arrange meetings with leading importers.

Client: European Ethnic Food Brand

Project: Arrange meetings with potential importers, distributors, and brokers.

Client: Global Beauty Care Brand

Project: Organize and select USA importer, distributor, and broker network.

Client: UK – Non-Food Brand

Project: Design USA market entry strategy. Hire USA manager. Arrange meetings with leading USA brokers.

Client: Global Confectionery Brand

Project: Design strategy to improve sales to the USA Market. Analyze category and hire USA broker network.

Client: Asian OTC Brand

Project: Identify OTC importers or brokers.

Client: Leading Italian Food Brand

Project: Analyze market to take sales to next level.

Client: Your Brand

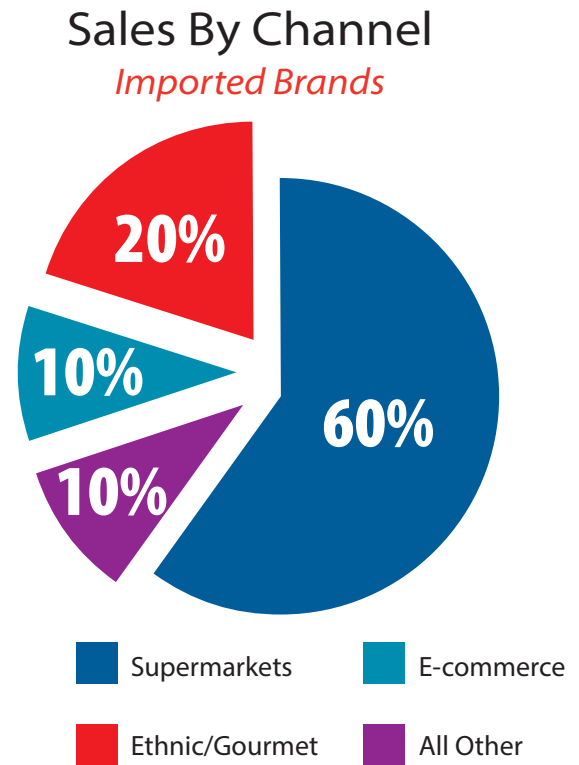
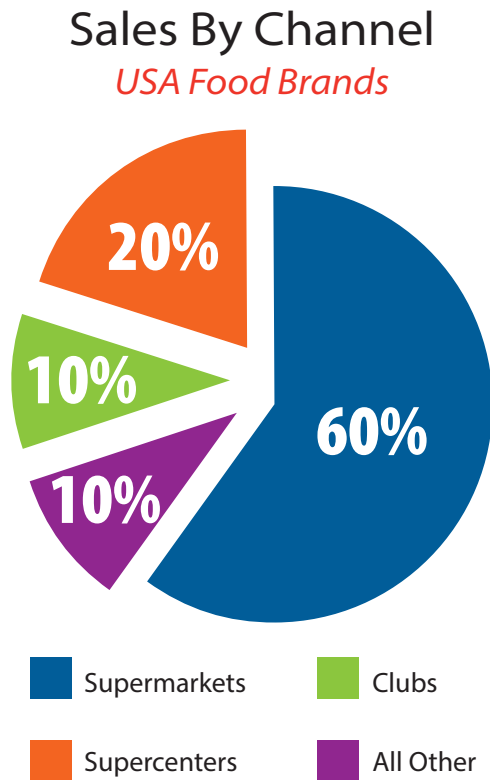
Contact Greg Seminara at
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Top 20 USA Grocery Chains



Retailer	USA Sales (\$ billions)	Stores
1 Walmart SC.	441	3,571
2 Kroger	150	2,723
3 Albertsons	79	2,278
4 Ahold Delhaize	57	2,051
5 Publix	57	1,360
6 HEB - USA	40	350
7 Meijer	24	266
8 Shop Rite	20	361
9 Hy Vee	13	285
10 Wegman's	12	110
11 Giant Eagle	11	216
12 Winco	10	140
13 Northeast Grocery	8	281
14 Demoula's	7	90
15 Save Mart	6	208
16 Stater Brothers	6	172
17 Ingles	6	198
18 Weis	5	197
19 Raleys	5	121
20 Schnucks	4	115

Sales By Channel: USA Brands vs. Imported



Made in USA Brands

Food products produced in the USA sell through 13 different trade channels. Supermarkets always represent the largest channel with 52% of sales. However, this represents a continuous shrinkage from the dominant 85% share of food sales enjoyed by supermarkets in the nineties. Walmart’s Supercenters are the number one customer for virtually all mainstream USA food brands, catering to the value oriented consumers. Kroger ranks as the top supermarket chain reaching across the income spectrum, but viewed in most markets as the supermarket of the suburbs. Costco & Sam’s Club stores represent an important customer for number one brands in large categories.

Imported Brands – Retail Destinations

Supermarkets still account for 60% of sales revenue for food brands produced outside the USA. Frequently, international brands derive their revenue from different supermarket chains than the mass market. Imported brands naturally do well at upscale supermarket chains like Wegman’s. Consider Shop Rite, a 361 store chain that moves high volumes and their customers love international brands. Gourmet retailers such as Whole Foods and Fresh Market serve as prime showcases for foreign products. I love Eataly’s nine stores, but they represent a small fraction of total USA sales. Ethnic grocery stores account for important business for homesick expats missing their favorite international foods. Amazon’s internet shopping platform is an emerging destination for international foods.

USA Entry Cycle

Normally, international brands start first in the ethnic channel. Demonstrated success creates opportunities to enter gourmet stores like Whole Foods and upscale and regional supermarket chains. Phase three provides critical mass to gain access to large supermarket chains such as Kroger, HEB, and Publix. The final step is to create demand for access to Walmart Supercenters and mainstream supermarket chains like Ingles and Acme. Brands trying to “skip the cycle” and go to Walmart or Kroger too early will probably be delisted quickly, preventing access when you are ready.

OTC/Personal Care Brands Channels

Non-food brands including household products, personal care, OTC, and general merchandise typically depend on different channel splits. The “mass” channel which includes total Walmart and Target may represent 50% of the business or more. Pharmacies account for around 30% of the business for OTC and personal care brands. Supermarkets also represent at least 20% of the business for all these categories, more for paper goods, laundry and cleaning products.

National Versus Regional Retailers

There are no national USA supermarket chains. Top 10 supermarket retailers operate across multiple states, creating challenges for targeted marketing. This provides further validation for new entrants to focus on upscale regional chains where they can test marketing investment alternatives. Walmart, Target and “Big 3” drug chains are national.

Export Solutions: 15 Common USA Issues

Key Issue	Solution
Difficult to manage USA from abroad.	Hire one national sales manager to manage business. Or consider contract sales management team like Synergy Sales.
Headquarter authorization for my brand, but I can't find it at retail.	Hire a broker for store level coverage. Store level distribution may be 60% or less without broker coverage.
My brand sells well in New York, but not elsewhere.	New York is unique and represents only 7% of USA population. Markets like Atlanta, Dallas, Phoenix & Seattle are more representative.
Slow sales from the shelf for my product.	Try a coupon (digital or on-pack). Increase TPR allowance level from 10% to 25%.
Walmart doesn't want my product.	Walmart sells basic items for value conscious consumers. Recommended focus: upscale retailers Whole Foods, Fresh Market, Harris Teeter, Kings, Gelsons
My broker is a "one man" organization.	Large Brokers (Advantage or Crossmark) have 20,000 employees. Find a broker offering retail coverage and category analysts.
My Importer (or Broker) claims sales to Kroger or Albertsons, but sales are low.	Check number of chain stores where your brand is authorized. Kroger has 2,726 stores. How many are you in?
Importer/Broker is not achieving objectives.	Export Solutions provides independent guidance on assessing your business and providing realistic solutions.
Secure distribution without paying listing fees.	Target the ethnic channel and non-slotting retailers like World Market & Trader Joes.
Fancy Food Shows not generating quality buyer contacts.	Try Exhibitions focused on your Category. Sweets and Snacks for Confectionery, NACS for Beverages etc.
Importer/Broker achieves results at East Coast supermarkets, but struggles elsewhere.	Appoint channel and customer specialists. No one importer or broker is successful everywhere.
How do I secure distribution at Costco?	Great quality, large size pack, and commit to demos.
Is Private Label or Foodservice worth the effort?	Private label/ foodservice dominated by local producers. Focus energy on upscale supermarkets first.
I know a guy with connections at Kroger, Walmart, etc.	200,000 + sales people in USA with customer relationships. Partner with a "company" with valid business track record.
Brokers are not interested in representing my brand.	Offer to pay a minimum pioneering fee, with a success bonus.

USA Retailers – 30 Channel Specialists

Channel	Customer	Dollar Sales (billions)	Comments
Club	Costco	180	Revenues from 605 USA stores
Club	Sams	86	Revenues from 599 USA stores
Club	BJ's	20	239 stores. Primarily North/Florida
Distributors	UNFI	31	Supplies Whole Foods, Stop N Shop etc.
Distributors	Kehe	8	Supplies Publix, HEB etc.
Distributors	Core-Mark	19	Serves 40,000 c-stores
Dollar	Dollar General	39	20,000 stores
Dollar	Dollar Tree	19	8,300 USA stores
Dollar	Family Dollar	12	7,500 stores
E-commerce	Amazon	340	Online USA sales (ex. web services)
Foodservice	Performance Food	60	Includes Core-Mark, Vistar
Foodservice	Sysco	55	National, reflects USA sales only
Foodservice	US Foods	36	250,000 customers
Foodservice	Smart & Final	4	253 cash & carry outlets
Gourmet	Whole Foods	18	530 USA stores
Gourmet	Trader Joes	21	570 stores
Gourmet	Sprouts	7	415 stores
Hard Discount	Aldi	24	2,450 stores
Hard Discount	Save A Lot	4	800 stores
Hard Discount	Lidl	1	173 stores in East and South
Pharmacy	CVS	120	9,000 Pharmacies
Pharmacy	Walgreens	110	8,700 Pharmacies
Pharmacy	Rite Aid	18	1,600 Pharmacies
Supercenters	Walmart	441	Sales for 3,571 supercenters
Supercenters	Target	106	Total sales for 1,956 stores
Supercenters	Meijer	24	266 Stores in Central USA
Wholesalers	C & S	33	Supplies 7,700 stores
Wholesalers	Associated – Kansas City	12	South/Central, supplies 1,100 stores
Wholesalers	Spartan Nash	10	Central USA
Wholesalers	Bozzuto's	2.8	Northeast, supplies 1,200 stores

How to Excite Buyers – New Product Checklist

Retail buyers are challenged to maximize profits and sales from every available inch of shelf space. Every new item accepted must improve on the performance of the brand currently occupying that space. Buyers are overwhelmed by new product offerings, all with ambitious promises. Improve your chances of success by incorporating Export Solutions' 10 point check list on how to excite your category buyer about your new product.

Buyers: New Product Assessment		
	High Interest	Low Interest
Category Opportunity	Large or high growth	Declining or niche
Brand Owner	Multinational or proven local. Category expert	New foreign supplier or start-up
Innovation	Something new, supported by consumer research	"Me too" product
Profit Margin	Enhance current category margin	Equal to or less than current category margin
Sales	Generates incremental sales	Cannibalizes existing sales
Marketing Investment	Sampling, social media, PR	None
Trade Programs	Invests in retailer "push" programs	Periodic discounts/rebates
Brand Track Record	Successful at other local retailers	Unproven in the country
Terms/Conditions	Attractive deal structure	Typical terms/conditions
Representation	Dependable local distributor	Small, niche entrepreneur

Europe vs. USA – Vive La Différence

Europe and USA combined populations exceed one billion people. These developed markets serve as the source of most of the innovation and inspiration for the food and consumer goods industry. Yet the clear fact is that most European manufacturers sell minimal quantities to the USA, and American brands are virtually absent from European supermarkets. Multinationals like Nestle, Unilever, Coca Cola, and P & G are exceptions and play in a different league. Congratulations to brands like Barilla, Tabasco, and Pringles that achieve strong results on both sides of the Atlantic. However, the list of winners on both continents is short. This issue of *Export Express* explores Lessons Learned and tips for “Cracking the Code” in the worlds “First Billion” consumer market.

Euro – USA Importance

Some brands avoid the battle and shift strategic focus to high growth markets of Asia, Latin America, and the Middle East. This approach makes sense for companies that view export as an opportunistic source of volume or do not own leading brands. For most, Europe and the USA remain attractive targets due to the large, affluent, populations concentrated in organized markets. Consumers in established countries value innovation and maintain the disposable income to purchase international brands. An important point is that Europe and the USA share many similarities in eating, drinking, personal care and home cleaning practices. This environment creates instant consumer understanding of our brands features and benefits versus markets such as Asia where the vast majority of consumers live and eat differently.

Problem: “Me Too” Products

Many leading food segments maintain similar development factors in the USA and Europe. Supermarkets on both continents dedicate significant space to universal categories such as Cookies (Biscuits), Coffee, Cake Mix, and Cereal. Innovation sweeps the globe, so it is a major challenge to differentiate versus existing choices. In our home countries, we enjoy the benefits of local manufacturing, scale, and a tradition of linkage with the consumer. However, these benefits disappear quickly as a USA brand attempts to sell to Europe or vice-versa. In fact, drawbacks emerge



instantly, starting with overseas freight, duties, and distributor service fees. These routine costs translate to dramatic price premiums where your product may cost 2-3 times on the shelf versus comparable local brands with years of marketplace heritage. In reality, your initial overseas business base may consist of homesick expatriates willing to pay any price for their favorite candy or tea brand from home.

Shopping Habits

A typical USA supermarket averages 50,000 square feet and stocks more than 40,000 unique items. Private Label is present, but accounts for only 19% of total sales. As a result, USA stores have plenty of space for international brands willing to “pay to play.” USA shoppers visit 4-5 stores per week across different trade channels, always on the hunt for bargains. Europe features a mix of large and small stores, but the reality is that the common supermarket is only half the size of a USA store. Shelf space is very limited, with real estate allocated to fast moving brands and private label. Gaining entry to European stores is a challenge for local producers, let alone foreign brands.

What is Your Pull Strategy?

Congratulations! Your brand has been listed at a European supermarket. The good news is that you may achieve a respectable level of sales simply by being one of the small number of choices on the shelf. Naturally, sales will be proportional to your investment in consumer awareness and trade promotion activities. Globalists will argue that it is much easier to get on the shelf in the USA, but much tougher to “sell out.” USA consumers face a sea of choices and dedicate less than 10 seconds to

making a purchase decision. Success in the USA demands investment in coupons, trade ads and price reduction offers.

Investment Level

The USA market includes 338 million consumers. German population hovers around 83 million, with France and the UK weighing in at 68 million and 68 million, respectively. Brand owners should ask the fundamental question of “What a \$100,000 investment buys in their country?” Then, that investment should be divided by the number of people in your target country. For example, \$100,000 allows some meaningful activity in a country like Denmark or Ireland or Chicago. On the other hand, \$100,000 is a small sum for the entire USA or even Canada which has 40 million people. Best practice suggests using your “\$100,000” budget to drive high impact promotions at a handful of USA retailers or 1 or 2 European countries.

Brokers Versus Distributors

Food brokers are the dominant outsourced model for selling to the USA supermarket channel. Virtually all companies from giants like Nestle and P & G to start-ups hire brokers. Core broker services are key account selling, category management analysis and mandatory retail merchandising. In the USA, the term “distributors” refers to wholesale distributors like UNFI who handle slow moving specialty food items. USA importers play a role for international brands, but represent only one percent of USA turnover. In Europe, distributors serve as the key partners for foreign brands. Distributors provide an

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Europe vs. USA – Vive La Différence

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integrated portfolio of selling, logistics and financial services. As with brokers, there are significant differences in capabilities between giant power distributors and small “one man show” companies. Export Solutions’ distributor database tracks more than 3,322 European distributors and 575 USA brokers.

Crawl, Walk, Run

USA brands looking to enter Europe should target the UK and Ireland as their first point of entry. Find a distributor with a successful track record at importing other USA brands. Waitrose, Ocado, Costco, and perhaps Sainsbury may be logical first customers. Next stop would be the Nordic region which values premium products and contains many excellent distributor options. Many European brands are already in the USA with modest sales. Hire a USA based employee and locate a “mid-size” broker to handle your brands. Focus on a limited number of upscale supermarket chains with 50-150 stores each. Invest in trade activities to do it right at these accounts prior to expanding attention to giants like Kroger and Publix.



Need a Hand?

Export Solutions can help on both sides of the Atlantic! I have been a featured speaker for ESMA, the European Distributors Association and am well connected with distributors throughout Europe. I have also spoken to European manufacturer groups in Germany, Italy, and the UK on USA

entry strategies. Export Solutions has helped Italian, German, UK, and Dutch companies on USA business development strategies. Our approach is “sales oriented,” focused on creating tangible solutions to create new sales.

USA Population by Region	Population (millions)	Percentage of USA Population
South	133	39%
Northeast	57	17%
Midwest	69	20%
West	29	24%
Total	338	

*estimated 2024

Ten Tips for Foreign Brands: USA Growth Strategies

The USA represents the world's largest market. A small market share in the USA can represent a bigger business than owning a 50% market share in a smaller country. Many international brands fail to reach their potential in the USA as they treat it as just another export market. Listed below are Export Solutions' ten tips for improving your results in the USA, a consumer market of 338 million people.

1. Develop a Channel Strategy

The USA Food business is segmented into 13 channels, with supermarkets claiming an average of 52% of the business. Other important channels include Supercenters, Mass, Foodservice, Value, Club, Convenience, Natural, Gourmet, Internet, Military, Gift, and Ethnic. One strategy is to concentrate efforts on winning in one channel to gain traction, versus spreading efforts in too many areas.

2. Optimize Results at Top 10 USA Retailers

Think Walmart, Kroger, Publix, and Food Lion that all operate more than 1,000 stores. Many companies claim that they "sell to Walmart." The key question is to identify a chain's store count and measure how many of those stores your brand is available in. Last year, an important European beverage brand told me that they were "selling to Walmart." Turns out that his follow up investigation revealed that he was selling to only 46 of Walmart's 3,571 supercenters.

3. Think Beyond New York

None of the top 5 grocery retailers maintain a presence in metro New York. The USA has experienced a population shift to the South and West, with the Northeast actually representing the smallest of the four regions. Visit Atlanta, Houston, Los Angeles, or Miami to get a more accurate gauge of industry dynamics.

4. Use a Broker

In the USA, the brokers play a unique role, touching virtually every brand in the supermarket aisles. Even importers use brokers to supplement their own efforts. Export Solutions' database tracks 536 USA brokers, including the "Big 3."

5. Retail Services are Required

Great news! You just received a listing at Kroger or Albertsons. Your work has just begun. Planogram integrity is an enormous issue in the USA. Compliance levels of new items at store level may reach only 60% without a broker at store level to "cut in" your product and monitor its availability.

6. Data Driven Decisions

The USA market is blessed with the most sophisticated analytic tools that are used on a daily basis. This includes availability of point of sale data at the chain (and sometimes store) level to measure everything that scans. Business building and selling incorporates use of post promotion analytic tools, market basket studies, and brand sales by demographic cluster.

7. Try a Coupon

USA Sunday newspapers are jammed with coupons offering consumers small discounts (.25 - \$1.00) to purchase a product. Many supermarkets up the ante, by doubling the value of the coupons. This is a proven strategy to drive listings, generate trial, and repeat purchase. A coupon can force a retailer to carry your product, as he does not want to disappoint a customer with a coupon.

8. Hire a Sales Manager

An international company should place at least one person in the USA to manage their interests. Hire a veteran sales person and locate him in a home office in a city with a great airport like Atlanta or Chicago. This role will allow him to manage your distributor and broker network. You can also hire a contract sales management group like Ram to perform this function. Hiring an employee based in the USA signals that you are serious about building your business in the USA.

9. TPR

This stands for Temporary Price Reduction. USA supermarket aisles are filled with hundreds of these tags. The consumer recognizes these tags to signal a special discount and "time to buy." TPR's are normally 10% of everyday price and can be an efficient spend particularly on a "scan down" program.

10. Ethnic Channel: First Stop

Your product will be well received in channels specializing in your country's products. There are well established retailers specializing in Hispanic, Asian, British and Italian Foods. Whole Foods and Cost Plus World Markets offer good assortments of international brands.

Good USA Chains for International Brands

Retailer	Stores
Ahold-Delhaize	2,051
HEB - USA	350
Meijer	266
Wakefern/Shop Rite	361
Whole Foods	530
Hy Vee	285
Giant Eagle	216
Wegmans	110
Harris Teeter	260
Sprouts	415
Raleys	121
Fresh Market	160
World Market	240
Gelsons	27
Kings	19

USA vs. Europe

Differences – Industry Fundamentals

	USA	Europe
Store Size (avg.)	50,000 sq. feet	20,000 sq. feet
Unique Items/store	40,000	18,000
Private Label Value Share	18%	25-50%
Price List (wholesale)	Same pricing model for all retailers	Price may vary by retailer
Annual Negotiations	Category Review	Standard Practice
Organizational Model	Food Brokers	Food Distributors
Data Transparency	Account/Store Level Data	Country Level Data
Store Level Service	Merchandisers required for compliance	Conditions controlled by Chain Headquarters
Retail Coverage	National/Regional	Unique retailers by country
Sunday Coupons	Popular Practice	In-ad only

Note: Every market maintains differences. However, industry manufacturers everywhere share the common goal of securing more shelf presence while retailers demand more discounts.

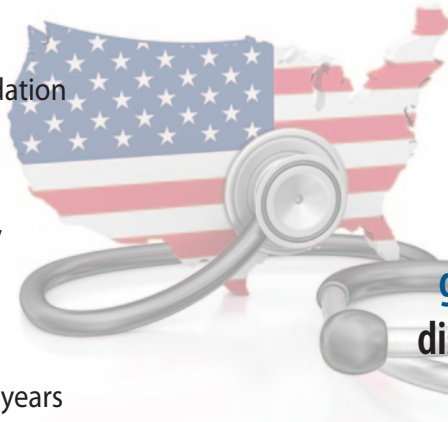
USA Sales – Next Level Strategies: 10 Tips

Most European brands remain frustrated by their lack of progress in the USA market. Many companies completed a first step, with listings at World Market and Eataly (6 stores), but failed to gain traction at big chains with 200+ stores. June Fancy Food optimism fades by October. Your boss is committed to the USA, but demands better results before bigger investments. What do you do? Call Export Solutions!

Assessment Area	Considerations	Insights
Consumer Target	Who is your target consumer?	Millennials, foodies, homesick expats
Channel Strategy	Unique strategy required: upscale supermarket, e-commerce, specialty, and mass retailers	Priority: Upscale supermarkets, gourmet stores, ethnic stores, e-commerce
Route to Market	Channel, regional, and customer experts required	Determine ideal broker profile. Focus first on good brokers, then buyers.
USA Manager	Mandatory oversight of your USA development	Results proportionate to salary. Locate close to distributor or Atlanta, Chicago
Trade Promotion	Customer specific plan required	Invest in strong programs at 10 key retailers. 15% TPR promotions will not excite anyone.
Export Solutions	USA market development helper for European brands	Point of difference: Retail reality focus. Targeted, logical road maps. Sales oriented.
Cost to Serve	Implement strategies to reduce price gaps versus "Made in the USA" products	Evaluate options to create more efficient cost structure: factory gate to store shelf.
Digital Savvy	What is your social media plan? How much are you selling through Amazon?	Digital is targeted and cost effective. Amazon grocery: growing 30% + in USA.
Lessons Learned	What is working? Why has business not scaled? Barriers to progress?	Independent validation and solutions provided by USA market expert.
Benchmark Brands	Which overseas brands are winning in USA?	Study best practices: Barilla, Bonne Maman, Colavita, Filippo Berio, Lee Kum Kee, Rana, San Pellegrino, Walkers Shortbread
Retail Safari	How do I accelerate sales in the USA?	Export Solutions retail safari program yields tailored insights and best practices for succeeding in the mainstream USA market.

Hire a USA Expert

- USA strategy recommendation
- Category analysis and plan development
- Identify priority channels, regions, and retailers
- Broker/Distributor identification Specialist
- Have a USA pro with 20+ years experience on your team



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USA Market Entry Alternatives: Broker versus Importer versus Direct?

Outsourcing of sales functions to channel specialists is a common organizational strategy in the USA. Third party service providers include Food Brokers (now formally known as Sales & Marketing Companies), Distributors, Importers, and Merchandising Service Organizations. Most retail channels require a unique approach.

How do I determine the right strategy for my brand?

Project Sales by Trade Channel to Determine the Source of Your Volume.

In the USA, there are 13 trade channels: Supermarket, Supercenter, Mass, Club, Ethnic, Natural Foods, Convenience, Drug, Dollar Store, Gourmet, Gift, Internet, and Military for most food products. Hardware is important for Non-Food products and department stores for personal care brands. Normally, supermarkets account for 52% of sales for a food brand, but only 30% of sales for “non-food” categories like cleaners, personal care, or health care.

Determine the Services Required and the Complexity of Ongoing Maintenance.

Certain categories require a high focus on store level activity and speed to shelf. In other categories, it is sufficient to “sell in” at headquarter level and let the retailers’ systems execute for their stores. Brokers and MSOs are the primary options for performing in store work.

Evaluate Your Internal Resources.

How many direct people will your organization have focused against customer development and sales execution? What can your own organization realistically handle? Do you have people based locally close to the retailer and people with experience against leading retailers or trade channels?

Determine the Channel Specialists

Many companies employ a food broker for the supermarket channel (at minimum: retail services) but prefer to deal directly with Club, Drug, and Dollar Store channels. Importers and Distributors function well for natural food products, gourmet specialty foods, ethnic foods, and imported brands.

Hybrid Approach May Be Optimal

Walmart prefers to negotiate directly with its vendors. Many manufacturers hire a broker for retail services at Walmart to supplement their own activity at headquarters. Merchandising Services Organizations excel at dedicated, short term projects and handling time consuming reset work.

USA Distributors Act As Wholesalers

The USA distributor model is different from the international model. USA distributors are wholesale distributors providing selling, logistics, and collection services. However, they rarely import and do not necessarily work on an exclusive basis by category.

Importers Need Broker Services Too

Importers provide a valuable service for international brands. They offer an integrated service portfolio. The larger importers partner with food brokers for better penetration of the supermarket channel. As a rule, an importer alone will not serve as a complete solution for the USA supermarket channel. A Broker provides local customer expertise on a national basis plus essential retail services.



Avoid “One Man Shows”

Size matters. There are more than 200,000 sales people in our USA industry. Everyone claims a “great relationship” with a specific account. This is a start, but the preferred route is to partner with a broker organization that offers critical mass, category management, and retail services.

Big Brokers – Big Brands

“Big 3” USA brokers maintain over 20,000 employees and impressive sales, marketing, and administrative services. The Big 3 performance may exceed the capabilities of even the largest multinationals. In the USA, P & G, Kraft Heinz, Nestlé, and Unilever all depend on brokers for certain categories and services. However, most Big 3 brokers are reluctant to pioneer new companies or represent brands with modest sales revenues.

Battle for Broker’s Attention

Most outsourcing to third parties represents a “shared services” approach where the manufacturer is effectively “renting” a portion of the broker or distributor’s sales force time. These third parties profit by reselling this sales force to many manufacturers, sometimes up to a 1,000 companies in the case of a Big 3 broker. A constant battle exists for a manufacturer to get their “fair share” of the sales force’s time. On the other hand, manufacturers must be realistic on their performance expectations relative to their amount of compensation to the third party.

Conclusion

The old adage that “no one can execute better than yourself” does not apply in most cases in the United States consumer goods industry. In every sector, there are local specialists with significant critical mass that can execute a well defined brand proposition in an effective and efficient manner. Manufacturers should focus their attention on direct relationships with global leaders such as Walmart & Costco that require a high level of senior management interaction. International brands may require a variety of outsourced partners to optimize results in distinct channels.



Selling to Walmart – When and How?

Everyone wants to sell to Walmart. This is logical, as they rank as the number one retailer in the USA and Latin America, plus good presence in the UK, China, Japan, and South Africa. Walmart's International business (outside the USA) is bigger than the total turnover of Carrefour or Tesco. Selling to countries where Walmart has stores makes sense for USA producers.



However, Export Solutions always advocates a strategy of making export decisions based upon what's best for the entire country, versus the preferences of an individual retailer, even if it is Walmart.

Walmart's Central American buyers have been speed dialing leading brands pursuing direct purchase agreements. These offers may be hard to resist, but manufacturers must be fully aware of the implications. Selling direct to Walmart International allows you to bypass the "distributor system." This provides Walmart with a cost advantage at store level of around 15%. This may create a situation where it is difficult to sell to other market customers, because their list price resembles Walmart's shelf price.

I visited Guatemala and Costa Rica recently. Walmart places many Direct Import brands in one aisle, away from the product's normal category placement. These Direct Import brands are not supported by the armies of in-store merchandisers that are common in Latin America. I remember the story of when I served as Director of Sales for Clorox in Buenos Aires, Argentina. Someone from corporate sold my favorite Hidden Valley Ranch salad dressing to Walmart International and it magically appeared on the shelves of my Walmart. I was thrilled, but apparently was the only happy customer. Most in Argentina had never heard of Hidden Valley Ranch. Without advertising, promotion, and distributor support, the brand gathered dust and was discontinued.

I am an advocate of partnering with distributors to sell to Walmart's international divisions. These local companies sell and merchandise at Walmart and all market customers everyday. Distributors focus on brand building and can provide the muscle at store level to push your brand. Retailers benefit because they can reorder any day versus waiting for the container to arrive from the USA. In my opinion, the distributor model is usually the preferred route to market to create a sustainable business in these fast growing countries.

Many European companies are anxious to sell to Walmart's 3,571 USA supercenters. Slow down! Walmart's USA supercenters specialize in category leaders and fast moving brands. Their consumer base consists of middle and lower income customers who have limited spending power to purchase super premium brands from overseas. Also, Walmart tends to be the "low price" leader. This may damage your ability to sell to upscale supermarkets, as they may be hesitant to stock an item that Walmart is carrying and selling for 15-25% less. My humble advice for European brands is to create a base business with mid-upscale USA supermarket chains. Approach Walmart at a later stage with your track record of market success.

Walmart is the world's number one retailer and will serve as a major factor in our strategic decisions. It is flattering and encouraging that Walmart wants to sell our brands. The key is to devise the optimal route to market that builds your brand equity and facilitates your business development to all market customers, including Walmart.

Greg Seminara
gseminara@exportsolutions.com
404-255-8387

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Category review, gap analysis, and “size of the prize”

- **Next level development plan for brands already selling in the USA:**

What’s working? What’s not working? What to do next?

- **Broker/Distributor/Importer Identification:**

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- **Develop strategic plan for USA:**

Priority brands, pricing model, regions, customers, and partners.

- **Are you ready for USA?**

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- Category analysis and plan development
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My Way: Finding and Selecting the Right Broker or Importer

Hiring the right local partner is the third most important step in optimizing your sales. This follows creating a product with a unique consumer value proposition and willingness to invest in brand development activities. Listed below are some practical tips on selecting the right company to represent your brand.

Identify a Pool of Preliminary Candidates

Create a large group of potential candidates. This could include distributors, importers, brokers, or local producers of related products. Highlight companies that are specialists in the market sector that you are aiming at. Export Solutions streamlines this process with our online directory of more than 9,700 distributors, importers and brokers for 96 countries.

Establish Partner Selection Criteria

What are the key attributes of your ideal candidate? Product specialization? Service portfolio? Existing results for current brands? Choosing a Large, "Best in Class" partner versus a "Small, Hungry" company willing to pioneer a new brand is an important preference.

Determine Candidates Preliminary Interest Level

Send a brief summary of your product proposition and company credentials to the 5-10 most promising candidates. A follow-up phone call to your top candidates is an appropriate personal connection. Brokers expressing an interest should complete a brief company overview recapping their corporate capabilities: Sales, Logistics, Marketing, etc.

Schedule a Meeting in the Candidates Office

Normally, we recommend interviewing at least three candidates depending on the size and scope of a project. Schedule the meeting 3-5 weeks in advance. Provide a specific agenda at least 2 weeks in advance, including pre-work such as category market analysis. Meet the broker's team that would work on your business, as well as senior management. A broker's office provides clues on company culture, scale, and capabilities.



Prepare Interview Questions and Assessment Grid in Advance

Create a list of key questions to ask each candidate. Topics could include local category dynamics, cost of entry, and Distributor success stories. Create a standard grid to evaluate and compare all candidates on a common platform. See page 25 for ten sample questions for every broker interview.

Conduct an Independent Evaluation of Candidates Performance for Existing Brands

Visit target outlets for your product to observe category conditions. At the same time, evaluate each candidate's performance for his existing clients. Do his current brands maintain a strong presence in the market? Or are his brands hard to find? Conduct these visits to leading retailers independently, as an accompanied visit may lead you to select stores which may not be representative of marketplace reality.

Reference Checks Represent an Important Next Step

Request references of 5 of the broker's top 10 clients. Call at least three references and request insights into performance and capabilities. Acknowledge that these are likely to be positive references, but they always provide significant value. Run a Dun & Bradstreet or other type of credit report on leading candidates. Export Solutions is often hired to conduct independent, confidential, reference checks.

Invite Top Choice to your Corporate Headquarters

The visit should include meetings with senior management, factory tour, launch planning, and mutual commitment. The trip serves as an important bonding and relationship building experience between your company and your new partner.

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Export Solutions Broker Assessment Grid

Criteria (weighting)	Rating	Evaluation Factors
Corporate Credentials 30%		Size, sales force, # employees. Reputation (reference check existing brands). National coverage. Key account teams. Multi-channel coverage.
Category Expertise 20%		Sells brands in my category. Shelf space for existing brands. Current brands selling to target retailer. Category analysis and insights.
Brand Building 15%		Ideas to build or launch my brand? Marketing plan, cost, timing. Success stories.
Cost to Serve 15%		Fair, transparent model relative to size of business, brand investment, and work required.
Enthusiasm for My Brand 20%		Advance preparation, CEO involvement. Follow-up on commitments. Alignment with your vision.
X Factors: People, Admin., Professionalism, etc. +/-		CPG/FMCG background for leaders. Efficiency of scheduling meeting. Office environment. Do you enjoy the people?

Evaluating Distributors or Brokers?

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Brand Owners: What Every USA Broker Wants to Know

Strong consumer goods brokers and importers are deluged with representation inquiries from around the world. The emails are usually supplemented by a product catalog and promise to mail a price list! In a best case scenario, this type of approach may lead to a request for more information from a good broker. More likely, the broker will skip your inquiry and move on to the next opportunity in his mailbox. Listed below are Export Solutions tips for “breaking through the clutter” and providing the right information to generate excitement and interest from the broker and importer community.

1. What is your Brand USP (Unique Selling Proposition)?

USP defines your competitive edge versus all other brands battling for the same shelf space. The USP can revolve around quality, value, assortment, or packaging. However, you need to validate your claims. For example, a statement such as “tastes better than competitors A & B” should be supported by market research of consumers or blind tests of a sufficient panel group that backs your quality claim. Similarly, a retail price review can demonstrate a “better value” position. Your USP must also pass the litmus test: Is your USP relevant to the purchaser and consumer? For example, you might offer the only coffee with orange and lemon flavors, but is anyone really looking for this product?

2. Have you done your homework on my market?

The food/consumer goods industry is relatively transparent. Typically, brand owners simply need to visit the leading supermarket chains to obtain a “snapshot” of local category assortment, pricing and merchandising practices. The assortment and shelf space allocation will provide clues regarding consumer preferences from a taste/usage standpoint and potential gaps in the market. Syndicated data providers such as Nielsen and Euromonitor supply reams of data tracking category sales and trends. New brand representation offers to brokers that demonstrate a degree of understanding of local category market conditions will always receive an appreciative response.



3. What will the brand owner invest?

The most important consideration after the USP definition! A broker believes that he needs the right financial spend levels to aid him in achieving the results that he is capable of. The correct spend level usually reflects an appropriate mix of trade development funds (listing fees/shelf space/flier participation) and consumer awareness activities (sampling/pr etc.) The brand owner must acknowledge that there are fixed fees to enter virtually every market. Some brokers are willing to split these fees. It's usually not enough to case rate spending unless you have a very strong proposition. Bottom line: If you are unwilling to invest in your brand...why should the broker invest his time and resources building your brand?

4. Where has your brand been successful?

Your track record at building brands counts! Share your record proudly, particularly if the target country or retailer is well known. On the other hand, a “Produced in Europe” success story may not be impactful if you don't intend to duplicate the conditions that brought you success such as local production and measurable marketing investments.

5. How tough is the job to launch your brand?

Are you attempting to enter a competitive category dominated by heavy spending multi-nationals? Or are you aiming at an attractive niche? What are the brand owners expectations in terms of product availability and sales volume?

6. Can the broker make money with your brand?

Brokers seek to obtain a fair profit for their activities to support your brand. Profit must be measured in dollars contributed versus percent of sales. Brokers rarely make money during year one of an introduction as they allocate a disproportionate share of their resources to launch a brand. On the other hand, new brands in current categories for the broker can bring new profits with minimal incremental effort. Globally recognized brands bring prestige to a broker's portfolio and may serve as a magnet to attract other brands. Brand owners must present a convincing case to the broker on the incremental profits that your company can deliver to the broker's bottom line.

Exporter Data Sheet

What Distributors want to Know about Your Company

New Business Opportunity: _____ *(Company Name/Country)*

Key Contact:		Telephone:	
Web Site:		Email:	
Founding Date:		Ownership:	
Annual Sales:		Total Employees:	
0-\$50 million	\$50 million - \$250 million	\$250 million- \$1 billion	\$1 billion +
% Sales International:			
0-10%	10-25%	26-50%	50% +
Exporter Classification/Description: _____ (#1-10, based upon Export Solutions' scale)			
Core Product Range:			
Unique Selling Point:			
Market Share:			
Home Country:	Country A:	Country B:	Country C:
Current Business in Distributor's Country:		Yes/No:	Size \$:
Current Customers (Distributor's Country):			
Investment Model:	Listing Fees*: Yes/No	*average \$35 per item,per store	
Trade Promotion Budget:	Dead net price:	10% of sales:	Mass:
Marketing:	Digital:	Sampling:	360 degree:
Ambition/Size of Prize:	Sales:	Market Share:	
Year 1			
Year 2			
Year 3			

10 Questions for Every Broker Interview

1. Company History

How long have you been in business? Who are the owners? How many direct, “payrolled” employees do you have? Approximate annual sales volume?

2. Company Brand Portfolio

What are your top 10 companies/brands represented? For which channels do you represent each brand? How long have you represented each brand? Can you provide senior level references at each “brand owner?”

3. Key Account Buyers

Who is the buyer for our category at the largest retailers in your market? What other brands do you sell to our buyer? How frequently do you visit each major customer?

4. New Product Launch Success Story

Provide a recent example of a new brand launch success story. Key retailer acceptance? Cost of entry? How long did it take? Key elements of the success strategy?

5. Creative Selling

Provide an example where you took an assigned marketing/brand support budget and created a successful local program. How do you measure success?

6. Retail Servicing

How many full time employees do you have visiting retail stores? Are they located countrywide or just in the capital city? How do you measure a “good store” in terms of brand presence versus a “bad store?” Describe your retail reporting system.

7. People

Who would be our point of first contact? Would our contact also “sell” our brands to major accounts? What other brands is our contact responsible for? How do we insure that we get our fair share of attention from your sales force?



8. Business Planning Model

What would your action plan be if we made an agreement to start with your company? First steps? 90 Day Plan? Reporting?

9. Cost to Serve

How do you model your broker commission? Range of commission for our brands? How do you manage trade spending budgets?

10. Enthusiasm for our Company

Why is our brand a good match for your company? Why are you the best partner in the market for our brand? What commitment are you willing to make?

Greg's Guidance: Broker Assessment Criteria

- ✓ History of Success pioneering other international brands
- ✓ Strong retail presence for current brands handled
- ✓ Logical launch plan, category analysis, and cost structure
- ✓ Positive references from existing brands and Dun & Bradstreet
- ✓ Enthusiastic about your brand and the business

USA: 10 Priority Investments

USA development remains a top opportunity for many European brands. Most companies sell to the USA, but maintain sales levels far below potential. The USA is complex, with 12 trade channels, 463 retailers, 50 states, and food brokers controlling sales. Which investments will deliver the greatest return?

Investments	Strategy	Insights
USA-Based Sales Manager	Mandatory oversight of your USA development.	Base salary range: \$130 to \$200 K. Location: Atlanta, Chicago or close to importer.
Broker Network	Upgrade channel and regional broker networks.	Brokers sell to most customers, not importers. Bonus brokerage model works!
High Class Retailers	Build sales base with laser focus on retailers catering to upper income consumers.	Whole Foods, Fresh Market, Harris Teeter. "From High Class to Mass."
Trade Promotion	Customer specific promotions.	Invest in retailers preferred promo vehicles. 10% TPR promotions do not excite anyone.
E-Commerce	Hire Amazon broker to create visibility. Establish budget for pay-per-click investment.	Amazon: primary source for "homesick" consumers looking for their favorite brand.
Export Solutions	USA market development helper for leading European brands.	Point of difference: Sales oriented. Targeted, logical road maps; USA solutions.
Supply Chain	Analyze options to create more cost efficient supply chain. "Factory gate to store shelf."	Consider USA factory or co-packer. Regional third-party distribution centers.
Sampling	Maximize consumer trial. Direct to consumer, multi-product, sample boxes are popular.	Everyone loves free trial sizes. Costco sampling drives sales volume.
Data	Leverage category data to sell your brand. Nielsen and IRI are respected.	USA buyers require detailed analytics for new listings, not just a nice story.
Retail Safari	Spend 25 percent of your time visiting stores. "Retail University."	"Retail Reality", not board room promises. Atlanta, Dallas, LA = real USA (not NYC/Miami).

473 USA Customers

How many are you selling to?



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Ten Tips: How to Minimize Listing Fee Payments

Slotting allowances, listing fees or as the Irish say “Hello” money are all real estate rental fees charged in advance by retailers for access to their limited shelf space. Many retailers assign their buyers “budgets” for this type of incremental fee income. Store owners seek to obtain maximum productivity from each shelf facing and fixed entry fees are a tactic to gain immediate income from new products without an established sales history. At the end of the day, it’s a cost of doing business. Our objective is to allocate as little money as possible to listing fees to redirect our investments to consumer awareness and trial generating activities. Recapped below are Export Solutions’ Ten Tips on minimizing listing fee payments.

1. Exclusivity

Some large retailers will waive listing fees in order to achieve first in the market status with an exclusivity arrangement. Normally, this extends for three to six months. Beware, you may upset other customers who become “locked out” during the exclusivity period.

2. Pay Fees Over One Year

This approach reduces your initial outlay and also increases the likelihood that the retailer will keep your product on the shelf for at least one year. This may also allow you to structure the payment as a percent of case cost versus a “lump sum” payment.

3. Free Goods

Our net cost of “Free Goods” may range from 30-50% of a product’s retail price to the consumer. The retailer recoups his listing fee when the product is sold. Some retailers are hesitant to accept this option, as a slow moving brand may force him to wait to receive his money.

4. Approach “Non-Slotting” Fee Retailers First

Every country includes retailers and channels that do not demand slotting fees. Create a success story with these customers first. Your track record may validate the larger investment in paying the fees at a bigger account or success may help you negotiate more favorable terms.

5. Create “All Inclusive” Annual Plan

Ultimately, the retailer has many “profit centers” to reach their internal financial targets. Customers respect a solid, year one plan, with investments in their other programs like advertising, sampling, shelf rental and display. You may secure your product listings as part of your annual agreement.

6. Negotiate Reductions – Multiple Items

My experience is that many retailers have published standard prices for listing fees. However, net payment often depends on your distributor’s clout. Big distributors, representing multinational’s and a wide variety of brands know the difference between what is requested and what is really paid on high profile brand launches where the retailer needs the new brand to be competitive. The most frequent “discount” is receiving a reduced fee for multiple items: example, paying a full listing fee on first two items and receiving authorization for two extra items as part of a group listing.

7. Retailer Entertainment

Most countries still permit buyers to socialize with suppliers. The cost of a few tickets to a high profile sporting event is far less than most listing fees. A VIP plane trip to view your factory or your category in a “resort” country is another way to gain access to the shelves without writing a big check.

8. Higher Everyday Margin

Total category margin is a key assessment metric for most buyers. Some may consider a lower listing fee, if your brand delivers a margin higher than the category average.

9. Distributor Contribution

Some “hungry” distributors may cover or co-fund listing fees. There are options to “case rate” fixed fees into the distributor margin calculation. Ultimately, distributors benefit from increased sales and margin contribution from a new product listing. However, many are reluctant due to short term contracts. Most maintain policies related to brand owners retaining 100 percent responsibility for listing fees and consumer marketing activities.

10. Beg! Claim Poverty

Buyers are human and realists too. They may “bend” in their demands if they like your brand and know that you represent a small company. Long term distributors can request the occasional “favor” from a friendly buyer. Most retailers have programs to provide “low cost” chances to entrepreneurial new or local suppliers.

Create Your Own Export Library



Distributor Search Guide



Export Handbook



Selling to USA Handbook



Distributor Management Guide



Finance & Logistics



Export Treasure Chest

My Favorite Templates & Forms



People Power

Strong Teams Build Great Brands

All Guides available free at
www.exportsolutions.com
 in the *Export Tips* section.

10 C's – Cooperation Model

1. Case

Manufacturer supplies a business case confirming brand "aspirations" for the country: Key items in portfolio, estimated base pricing, volume/market share expectations, and investment model.

2. Category Review

Distributor supplies a local review of category competitors, pricing, and merchandising practices.

3. Capabilities

Distributor shares detailed organizational capability and customer coverage. Could include references from existing suppliers represented. An important step when there are two or more candidates under consideration.

4. Commitment and Costs

What is the Year 1 Plan and Forecast? Targeted listings, marketing activities, launch budget and volume estimate associated with the spending plan.

5. Calculation – Value Chain

Line by line, build up from port to retail store shelf. Include currency assumptions.

6. Compliance

Highlight product registration and label requirements. Typical timelines for compliance?



7. Captain of Team

Who will be our day-to-day brand manager or first point of contact? Which senior executive will serve as our "Brand Champion?"

8. Contract

Options include formal contract, letter of understanding, or handshake deal. Begin this process early!

9. Consumer Marketing

What are planned activities to generate consumer trial and repeat purchases? Trade marketing, consumer marketing, social media, etc.

10. Calendar /Close

Distributor supplies a detailed timeline of all activities. When can we expect first order and delivery to support launch? Frequent checkpoint calls or meetings.

Looking for Good Distributors?

Export Solutions' database covers
9,700 distributors in 96 countries.

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Year One Scorecard Example

Brand owners and distributors enter new relationships with great expectations. Most partnerships succeed, but some under deliver leaving both parties disappointed. Export Solutions Year One scorecard helps both parties align on KPI's.

Objective	Goal	Results
Shipments to Distributor		
Distributor Sales to Customers		
Top 5 Customers		
Region: Sales Split by Area		
Channel: Sales Split by Channel		
Market Share		
Listings: Top 5 Customers		
Retail Pricing		
Shelf Positioning		
Shelf Space		
Sampling		
Social Media		
Displays		
Manufacturer Investment		
Brand Manager Performance		

Preferred Supplier Scorecard

Distributors deliver their best results for their favorite principals. How do you rank?

Supplier Assessment	Considerations	Rating: (10 = Best)
Annual Sales Revenue	<ul style="list-style-type: none"> Percent of total distributor sales 	
Annual Profit Generated (\$)	<ul style="list-style-type: none"> Net sales times gross margin 	
Years of Service	<ul style="list-style-type: none"> New to 20 years or more 	
Compound Annual Growth Rate	<ul style="list-style-type: none"> Flat to 10% or more 	
Supplier Investment Level	<ul style="list-style-type: none"> Zero to 25% of sales 	
Celebrates Success	<ul style="list-style-type: none"> Awards, dinner, thank you notes 	
Shares Best Practices	<ul style="list-style-type: none"> Serves as category expert 	
Logistics Service Level	<ul style="list-style-type: none"> Target 98% on time, complete orders 	
Visits Retail Stores	<ul style="list-style-type: none"> Never to full day every visit 	
Reimbursement of Billbacks	<ul style="list-style-type: none"> 2 weeks to 3 months 	
Senior Management Relationship	<ul style="list-style-type: none"> None to long term partners 	
Export Manager Experience	<ul style="list-style-type: none"> New hire to 10 years or more 	
Response Time	<ul style="list-style-type: none"> Same day to one month 	
Supports Distributor's Ideas	<ul style="list-style-type: none"> Invests in local ideas 	
Good on Customer Calls	<ul style="list-style-type: none"> Avoids calls to customer favorite 	
Admin Requirements	<ul style="list-style-type: none"> Orders only to multiple reports 	
Supplier Visit Frequency	<ul style="list-style-type: none"> Never to weekly 	
Relationship: Entire Team	<ul style="list-style-type: none"> Finance, logistics, administration 	
Respects Fair Profit for Distributor	<ul style="list-style-type: none"> Healthy distributor is profitable 	
Achieves Joint Business Targets	<ul style="list-style-type: none"> Creates culture of success 	

Export Accelerator



Why have Barilla, Pringles, Nature Valley, Starbucks, Duracell, Nestlé, Tabasco, Pepperidge Farm, and other leaders used Export Solutions as a distributor search consultant?

- Powerful distributor network: owner of industry database 9,700 distributors – 96 countries
- Professional 10 step due diligence process
- Results! We make Export Managers' lives easier!

Contact Us for Distributor Search Help in 96 Countries



Greg Seminara • greg@exportsolutions.com

"Spend time *Selling* to Distributors versus
Searching for Distributors"

NEW!

Retailer Search Made Simple Canada Example

Search By Country, Format, or Keyword. Keyword may include Retailer name. Like what you see? [Click here](#) to purchase current retailer lists.

Continent: USA & Canada Country: Canada Format: All Formats

Keywords:

127 Listings Page 1 of 2 Next >> Go To Page: 1 2

Country	Retailer	Store Count	Formats	Profile	News	Financial
Canada	7 Eleven					
Canada	Loblaws	2,300	Drug Store, E-Commerce, Hypermarket, Supermarket, Wholesale			
Canada	Costco	95	Cash & Carry/Club, E-Commerce			
Canada	Federated Coop	290	Convenience, Supermarket, Wholesale			
Canada	Fortinos	23	Supermarket			

Search by Country

Coverage: 96 countries and 2,950 retailers

Search By Format

- Supermarket
- Convenience
- Drug Store
- Natural Food
- Club, Cash & Carry

Search by Retailer Name

Supplying profiles, store counts, formats, news and info for Top 100 international retailers plus all overseas branches

Combo Search

Example 1: Who are supermarket retailers in Canada?

Example 2: How many stores does Loblaws operate by banner, in Canada?

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FAQ's – Retailer Database

Why did you create the retailer database?

Export managers dedicate a lot of time to researching countries, retailers and preparing business plans. A standard KPI measure is tracking product listings for key customers. I believe that our industry could benefit from a global retailer database to instantly locate retailers and their store counts in 96 countries. The retailer database is a logical extension of our leading distributor database which has helped more than 3,000 companies build export sales during the last 10 years.

What is your geographic coverage?

96 of top 100 GDP countries worldwide. This includes most Asian, Middle Eastern, and European countries. Our database covers every country in the Americas. In Africa, we cover South Africa.

What is your format coverage?

Excellent coverage of chain supermarkets, hypermarkets, clubs, cash and carry, and convenience formats. Solid initial coverage of drug stores, natural food stores, and e-commerce channels. Our database does not cover DIY/hardware, toy, office, liquor, or sporting goods channels.

Retailer database: featured info

Profile – Retailers profile and link to their internet home page.

Formats – Retailer's stores segmented by format and banner.

We track supermarkets, hypermarkets, cash and carry, convenience stores, discounters, drug stores, natural food stores, and e-commerce retailers.

News – Latest retailers' news. In some cases (Asia), we substitute a link to the retailer's latest promotional flyer.

Financial – Many leading retailers are publicly traded. A link is provided to their latest financial results. We do not offer estimated financial information for privately held or family owned retailers.

How is your coverage of global retailers?

We offer total coverage for top 100 global retailers. This includes all of their branches and banners. Searchable! Use filters to research Walmart, Costco, Carrefour, Tesco, Metro, Casino presence by country. Database covers retailer's total store outlets as well as a breakout by banner and format.



What can I use the retailer database info for?

- Obtain an instant snapshot of an average of 24 retailers per country for 96 countries.
- Track presence of global retailers like Walmart, Carrefour, and Metro AG.
- Create country specific listing maps where distributors measure brand authorization by retailer.
- Conduct home office based international category reviews and price checks from retailers' e-commerce sites (not all retailers).
- Prepare annual reviews and reports with up-to-date information on leading retailers and channels.

Searchable

The database offers filters allowing you to search by country, format, or retailer name. You can also use a combination of filters for your research.

Can I get a free sample of the retailer database?

Sure! Check www.exportsolutions.com for a complete profile of United Kingdom retailers.

Do you provide retailer's annual sales or market share information?

Accurate annual sales information is available through the financial link for publicly traded companies. We do not provide estimated financial information for privately held and family owned retailers. Channel blurring occurs between supermarket, convenience, e-commerce, and even natural food operators. We do not provide market share due to difficulty to accurately isolate and define channel market share information, particularly with so many privately held retailers.

How accurate is the retailer data?

Export Solutions' retailer database is updated weekly, so information is highly accurate. Retailer names, web sites, and formats rarely change. This makes the database 99% accurate at the company level. New stores open every day, resulting in store counts that may be 95% accurate. We intend to update store counts on a regular basis.

How much does retailer database access cost?

An annual subscription to the retailer database is \$975. This supplies one year, unlimited access to more than 2,950 retailers in 96 countries. Special offers available for our distributor database customers. Note: special pricing for government trade organizations.

How do I access the retailer database?

Visit www.exportsolutions.com and click the retailer database page. You can place a subscription or individual continent (i.e., Europe) into a shopping cart. Register and check out via credit card. The process takes two minutes and we automatically send you an invoice.

About Export Solutions

Export Solutions was founded in 2004 and is based in Atlanta, Georgia in the USA. Export Solutions serves as a leading provider of business intelligence to the food and consumer goods industries. Our distributor database covers 9,700 distributors in 96 countries and has been used by more than 3,000 clients. Our *Export Express* newsletter has a circulation of 9,800 and is viewed as an important source of insights, strategies, and templates for international development. www.exportsolutions.com.

Tactical Exports vs. International Brand Building

What are your realistic aspirations for a country? There is a big difference between tactical exports and strategic brand building. Companies can win in smaller countries with an “export only” strategy. Brand building requires a financial commitment. Either option works. Companies need to align market ambitions with their investment plans.

	Export	Brand Building
Market Research	None	Local consumption habits
Product portfolio	Best sellers from home market	Tailored to country / region
Packaging	Standard packs stickered	Native language
Factory	Corporate headquarter based	Offshore
Marketing Investment	Trade marketing only (10 percent of sales?)	TV, 360 marketing 20-30 percent of sales
Retail Pricing	Premium to super premium	Equal to competitors
Route to Market	Distributor	Direct team or distributor
Oversight	Periodic visits	Dedicated country manager
Market Share Ambitions	Niche	Player
Complexity	Low	High
	Export Countries	Brand Building Countries
	Caribbean	USA
	Malta, Cyprus, Portugal	Western Europe
	Middle East	Mexico
	Central America	China
	Hong Kong / Singapore	Japan
	Taiwan	India
	Nordics	Russia
	Baltics	Turkey
	Chile, Peru, Ecuador	Brasil

Channel Your Exports

If you launched a premium new brand, would your first customer be Walmart or a chain of upscale supermarkets? Export managers frequently target the largest overseas retailers, forgetting the high cost and activation requirements to develop a meaningful level of repeat sales. A viable route to market exists in every country for those with a rational alignment of ambition and investment. A key to success is an approach based upon channel specific, retailer profiling.

Retailer Profiling

Every country contains similar channel dynamics: value supermarkets, mass grocers, upscale supermarkets, e-commerce, hypermarkets, discounters, convenience, gourmet, ethnic, natural foods, drug stores, and specialty retailers. Foodservice is dominated by wholesale distributors and cash and carry outlets. Bigger countries feature well evolved channels with clear lines. In smaller countries, channel blurring exists, with conventional retailers striving to serve as a “one stop” shopping destinations.

A worthwhile exercise is to conduct an analysis to segment your overseas sales by channel and supermarket type. This learning could supply a best practice road map when entering new countries or implementing a business improvement initiative.

On-Ramp

Prime prospects normally lead us to upscale supermarkets, ethnic stores, e-commerce, and gourmet outlets. These channels tend to cater to consumers that are more adventurous and affluent. Their shoppers are less price sensitive and search for brands not stocked by mass supermarkets. Frequently, buyers at these retailers study category dynamics and seek to be first in the country to support an innovation from overseas. Listing fees continue to soar and spread across emerging markets. Many “on-ramp” retailers appear more concerned with product attributes than up front payments.



Upscale Supermarkets

High end stores serve as showrooms for international brands. Other local retailers look to them for inspiration and execution. These special supermarkets create a pleasant shopping environment with well established programs for product tastings and consumer education. Your first stop in any country.

E-Commerce

In the past, homesick expatriates would lug big suitcases from home or scan their adopted city for treats from home. Now, it's possible to log in to Amazon or other e-commerce players and find your favorite brands from home in a few clicks. For example, I just searched Amazon UK's grocery store for USA food and discovered more than 1,000 results from Jif peanut butter to Jiffy corn muffin mix to the beloved Jelly Belly. Other online specialists like americanfood4U.de exist in Germany.

Ethnic Stores

These are stores dedicated to products from overseas. In the USA you can find stores dedicated to Italian, Mexican, Asian, British, and German food products. In Europe, there are fantastic stores like Taste of America in Spain, featuring all your favorites from back

home. These retailers are all about “availability” and are anxious to partner with leading brands from the home country or successful innovations.

Priorities

Discounters, small shops, and value oriented supermarket chains tend to be tough channels to penetrate in the initial stages of your export development. Most brands plan to sell to all retailers. This is a logical ambition in your home country where your brand owns critical mass. In new countries, expanding too fast creates risks. Where does your target consumer shop? Support these retailers with marketing investments. Your brand will “die” on the shelf without high impact promotional activity.

From High Class to Mass

The head of India's distributor association described export development as the journey from “high class to mass.” Look for clues in the requirements to gain shelf access at target retailers in your home country. Remember that you are the premium newcomer from overseas, not the local incumbent. “Crawl, walk, run.”

Need more information? Visit www.exportsolutions.com.

New Country: Retailer Segmentation & Prioritization

Priority*	Channel	USA Example	New Country
Phase 1	Upscale Supermarket	Harris Teeter	
Phase 1	Ethnic	H Mart	
Phase 1	E-Commerce	Amazon	
Phase 1	Gourmet	Whole Foods	
Phase 1	Specialty	World Market	
Phase 1	Natural Food*	Natural Grocers	
Phase 2	Mass Supermarket	Kroger	
Phase 2	Hypermarket	Meijer	
Phase 3	Value Supermarket	Food Lion	
Phase 3	Convenience*	7-Eleven	
Phase 3	Foodservice	Sysco	
Phase 3	Discount	Aldi	

**May vary by supplier*

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Kroger USA 15 Banners – 2,723 Stores



Export Solutions
Distributor Identification Experts

About | **Distributor Database** | Retailer Database

15 Listings

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Country	Retailer	Stores	Formats			
United States	Dillons-Kroger	80	Supermarket	Profile	News	Financial
United States	Food 4 Less-Kroger	130	Supermarket	Profile	News	Financial
United States	Fred Meyer-Kroger	133	Hypermarket	Profile	News	Financial
United States	Frys-Kroger	123	Supermarket	Profile	News	Financial
United States	Harris Teeter-Kroger	246	Supermarket	Profile	News	Financial
United States	Jay C -Ruler-Kroger	71	Supermarket	Profile	News	Financial
United States	King Sooper-Kroger	150	Supermarket	Profile	News	Financial
United States	Kroger Banner	1,309	Supermarket	Profile	News	Financial
United States	Kroger Corporate	2,796	Convenience, E-Commerce, Hypermarket, Supermarket	Profile	News	Financial
United States	Marianos-Kroger	40	Supermarket	Profile	News	Financial

Search by Country

Coverage: 96 countries and 2,950 retailers

Search By Format

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- Drug Store
- Natural Food
- Club, Cash & Carry

Search by Retailer Name

Supplying profiles, store counts, formats, news and info for Top 100 international retailers plus all overseas branches

Combo Search

Example 1: How many **Harris Teeter** stores are there?

Example 2: How many stores does **Kroger** operate by banner, in the USA?

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What is the Plan?

Picking the right distributor is not an exact science. I know that each of us experiences moments of frustration when we question, “why did we ever pick that distributor?” Believe me, an equal number of examples exist where a distributor may share the same emotion about your company! Frequently, a partnership is christened by a positive distributor interview or enthusiastic meeting at a trade show. Everyone is always in a hurry to negotiate prices and a contract and



secure the first order. However, in many cases the decision to work together is cemented without a formal business plan where expectations, road map, and KPI's are established. Unfortunately, one year later both parties may find themselves pointing fingers at each other due to disappointing results.

I recently completed a distributor search project in the Middle East. We interviewed a number of good candidates and identified two with high potential. Last month, I was notified by the export manager that he selected one of the candidates. I supported his decision, but questioned how the plan proposals for the two distributors compared? The vague response confirmed no plans, just that he liked one distributor better.

This year, another project brought me to a country where a new distributor had been appointed less than one year earlier. Initial results were severely below expectations. The first question I asked the brand owner related to the reconciliation versus the original one-year business plan. What happened? In this case, there was general understanding about the direction of the partnership, but never alignment around a one-page scorecard with KPIs and a logical road map.

Launching a new distributor relationship is like the birth of a child. A mother rarely leaves the side of a baby, providing comfort, safety, and nutrition until the infant is healthy and able to survive without constant oversight. The same philosophy must apply to a distributor partnership. During the first few months, there must be frequent communication, care and visibility from the supplier with the new “brand parents.” This approach results in a healthy brand. Too many times, I see a new distributor appointed without anyone from the manufacturer committed to visit the country for the sales launch meeting or conduct a retail sales audit within the first sixty days. Parents bring their newborn to the doctor frequently for checkups.

Listed below are Export Solutions’ tips on creating a clear annual plan for each country and distributor partner.

1. Select new distributors based upon the quality of their year one plan: targeted listings, volume forecast, and retail penetration. What is their written commitment and timeline for achievement?
2. Current distributors should also have a confirmed one page plan. Merchandising events, new listing targets, spending, and shipment targets.

Many brand owners treat distributors as good customers which is a smart approach. The distributor is paying your invoice, not a retailer. Successful distributor partnerships thrive when both parties are aligned and committed to a simple, one-page plan. Looking for a sample format? I’ve prepared a one-page business plan template that is freely available in the Export Tips section of my web site or simply email me. What is your annual plan for each country?

Greg Seminara
gseminara@exportsolutions.com
404-255-8387

Strategic Services

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1. Identify Best in Class Distributors: 96 Countries
2. Best Practices Export Strategy
3. Distributor Management Workshops
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6. Personal Distributor Introductions: 96 Countries
7. Walmart International
8. Distributor Contracts, Margins, and Fees
9. Meeting Speaker
10. International Strategy Expert

Launch Plan Proposal – Year One*

Brand Objective				
Volume: _____		Wtd. Distribution: _____		Share: _____
Consumer Marketing Activities				
Activity		Rationale		Cost
1.				
2.				
3.				
Trade Marketing Activities				
Activity		Volume		Cost
1.				
2.				
3.				
Listing Fees				
Customer		# SKUs, Space, Promotion Support		Cost
1.				
2.				
3.				
Total Year One Volume		Total Year One Cost		Wtd. Distribution
Distribution Achieved with Above Spend Level				
Customer	Stores	% Country	# SKUs	Volume (annual)
1.				
2.				
3.				

*Feel free to attach other pages to support your recommended launch plan.

Price Calculation Worksheet

Item	Amount	Comments
List Price (factory or port)		Compare to your domestic list price? Avoid diverting risk.
Exchange rate		Watch bank rate vs. distributor rate.
Freight (sea, truck or rail)		Target full containers. Consolidation is costly.
Duties		Apply correct Harmonized (HS) code. Confirm Free Trade Agreements.
Customs clearance, insurance		Money and time!
Inland freight: port to distributor		Translate actual costs to case rate. Avoid flat percentage rates.
Landed Cost		
Product Stickers		Select countries.
Listing Fees		Flat fee. One time only. Usually not in calculation.
Marketing fund accrual		Typically, 10-20% of list price. Part of calculation or manufacturers price.
Distributor Margin		Normal range: 15-35%. Depends on size, complexity of brand, services, and "what trade spend is included."
Other Distributor Fees		Should be part of distributor margin. Avoid hidden profit centers.
Price to Retailer		Fair and transparent model. Incentives for large customers, extra performance.
Retailer promotions, incentives, rebates		10 – 20% depending on the country.
Other Retailer Fees		At times for merchandising or central distribution. Should be allocated from distributor margin.
Retailer Margin		Global average: 28% Range: 15% -45% based upon category, brand.
Sales Tax/VAT		Included in price in many countries. USA sales tax is on top of shelf price.
Consumer shelf price		Everyday prices and promotional prices.

New Channels: Prime Prospects, By Category

Channel	Confectionery	Gourmet Food	Food/Grocery	Beverage	Non Food
E-commerce	X	X	X	X	X
Meal Kits	X	X	X		
Ethnic – “Homesick”	X	X	X	X	
Gift Basket	X	X	X		
Natural Food	X	X		X	
Gourmet, Deli	X	X		X	
Liquor	X			X	
Farmers Markets	X	X			
Gift Channel	X	X			
Toy, Party Stores	X				X
Movie Theaters	X				
Hardware, DIY, Office	X			X	X
Duty Free	X	X		X	
Fundraising	X	X			
Theme Parks, Stadiums	X			X	
Airlines	X				
Butchers, Fishmongers	X	X	X		
Coffee Shops	X			X	
Military	X	X	X	X	X
Department Stores	X	X			
Kitchen Supplies	X	X			X
Dollar, Close Out	X	X	X	X	X
Discount Clothing (Marshalls, TJ/TK Maxx)	X	X			

Country Listing Map – USA Example*

“Required Template for Every Country”

Retailer	Stores	SKU 1	SKU 2	SKU 3	SKU 4	SKU 5	Comments/Plans
Walmart SC	3,560	x	x	x			SKU 1, 2, 3 stocked at only 2,000 Supercenters
Costco	605					x	Special SKU 5 for Costco
Kroger	2,723	x	x	x	x		Category Review March
Albertsons	2,278	x	x	x			New shelf set
Publix	1,360	x	x	x			BOGO Ad November
Ahold-FL	2,051	x	x	x	x		New SKU 4 listing
HEB - USA	350	x	x	x			Category Review March
Meijer	266	x	x	x	x		Holiday Display Program
Shop Rite	361	x	x	x	x		New SKU 4 listing
Giant Eagle	216	x	x	x			SKU 4 delisted

*Instructions: List top 10 customers for every country. List all your key SKUs (items).
 “X” indicates item stocked at customer. Blank space represents a distribution void.

Create Your Own Export Library



Distributor Search Guide



Export Handbook



Selling to USA Handbook



Distributor Management Guide



Finance & Logistics



*Idea Guide:
New World – New Business*



*Export Treasure Chest
My Favorite Templates & Forms*



*People Power
Strong Teams Build Great Brands*



All guides available free at www.exportsolutions.com in the *Export Tips* section.

Ten Things That Brokers Like

1. Respect For Their Right to Make a Reasonable Profit

Brokers have profit targets just like manufacturers do. Brokers measure total supplier contribution, defined by sales multiplied by gross margin. How much value do you receive from your brokers relative to your contribution to their profits?

2. Investment in Brand Support

Brokers love companies that invest in above the line activities such as television advertising, radio, social media, print, and sampling. Distributor volume is proportional to your investment in brand support activities. More marketing dollars usually translates to greater sales and profits for the distributor.

3. Awards

Most brokers proudly display their Distributor of the Year awards in their office lobby or executive conference room. Recognition can be given for distributor of the year, or achievement of \$1 million in sales, most improved store conditions, or ten years of service.

4. Market Visits (But Not Too Often)

Periodic market visits allow you to share ideas, monitor progress, and discuss issues. These trips serve as motivational, relationship building events, particularly if you can spend time together "out of the office."

5. Endorsement of Local Marketing Events

Best in Class partners maintain the ability to create unique local programs to build your brand. Voting with your marketing dollars stimulates the team to deliver and continue to bring you their best ideas.



6. Trip Contests – Quota Makers Club

Many believe that achieving your annual target is a job standard. This is true, but watch brokers ship cases like crazy when trying to qualify for a trip to a resort location! Plus, the trip generates incredible goodwill and all vow to meet their objective to return "next year."

7. Market Research

Brokers aspire to appear as category experts. Access to syndicated data from Nielsen plus local consumer research allows them to distinguish themselves from other vendors armed with hollow words and broad claims on a PowerPoint presentation.

8. Invitation to Your Corporate Headquarters

A trip to the USA or Europe is a dream come true for distributor brand managers in emerging markets. Treat them like a VIP, and they will be loyal forever.

9. Lunch for the Support Staff

Order processing, customer service, and other administrative people form the hidden backbone of the brokers team. Buy the group lunch and you can be a hero for \$100-\$200. Guess whose orders will be handled first at the end of a quarter?

10. Letter of Thanks

Our industry depends on email too much. How do you communicate sincere thanks when someone receives 200 emails a day? Send a personal letter via the post office recognizing a successful new product launch, creative promotion, or above and beyond effort. Extra points provided for a handwritten note! These letters are treasured forever.

Ten Things Brokers *Don't* Like

1. Unrealistic Expectations

Category growth ranges from 1% to 5% in most Western countries. So how can a manufacturer demand a 10% increase in sales in a mature market? It's possible if the brand plans a major increase in marketing spending. However, normally, business growth parallels overall market conditions.

2. Direct Contact With Their Assigned Retailers

Tricky retailers attempt to bypass a broker by contacting the brand owner. Normally, the retailer has his hand out for more money or wants to "buy direct." Be polite, but ask the buyer to work with the broker or schedule a joint meeting for your next visit.

3. Cut Marketing Budgets

Leading brokers depend on joint business plans, often created up to one year in advance. Last minute squeezes, translating to budget cutbacks sometimes need to happen, but still hurt. The broker is left with delivering the bad news and also hitting the sales target, even with reduced support.

4. Short Shipments

Everyone loses due to short shipments. Brokers could be assessed penalties by retailers. Store level shelf space may be lost and need to be recaptured. Keep the pipeline filled, particularly during peak seasonality.

5. Price Increases

Rising raw material input costs may require adjustments in list prices. The reality is that price increases are brutal to implement in many countries. Eventually, they are incorporated after months of stand-off's. In many cases, brokers are forced to swallow the punishment until they can negotiate with the retailers.



6. Endless Reporting

Some brands are guilty of a constant stream of reporting requests that take time to complete. Ask: Is the report really necessary? Legitimate requests are forecasts, shipment results, major retailer listing maps, price surveys, and new product launch status updates.

7. Frequent Market Visits

Your partners require time to accomplish their objectives without constant oversight. Brokers appreciate short, productive visits on a quarterly basis. More frequently for a big company and less often for a small brand. Get in, conduct your business and off to the next country. Week long visits to small markets represent a distraction.

8. Commission Reductions

Brokers depend on their commission to cover fixed overheads like logistics and cost of their sales team. Often, their net margin is only 3-5% or lower. Commission reductions or increased costs challenge their ability to operate a financially healthy business.

9. Last Minute Requests

End of the year volume pushes and rush orders are part of the business. However, everything functions better when normal lead times are respected. Separate "must do" demands from "nice to have" requests.

10. Delayed Response to Local Ideas

Manufacturers encourage brokers to create unique local approaches to brand building. Retailer buyers also call their favorite brokers with short term promotional opportunities to participate in a special event. Brokers need quick decisions on your ability to support their idea. Few things are more frustrating for a distributor than a lengthy wait while their proposal is debated by numerous levels of your company management.

Need a hand? Visit www.exportsolutions.com.

Country Shelf/Pricing Tracker – USA Sample*

*Complete for all countries/retailers

Retailer	Your Brand Share	Share of Shelf	Eye Level (yes or no)	Next to Brand B	Key Item \$2.99	Price Gap vs. Private Label	Comments/Plans
Walmart SC	35%	42%	Yes	No	2.69	+ .50	Shelf review September
Kroger	35%	28%	No	Yes	2.99	+ .30	Increase shelf share to minimum 35%
Albertsons	35%	25%	No	No	3.19	+ .20	Increase shelf share to minimum 35%
Publix	35%	45%	Yes	Yes	2.99	+ .20	Maintain space in new schematic

Country Listing Map – USA Sample*

*Complete for all countries/retailers

Retailer	Stores	SKU 1	SKU 2	SKU 3	SKU 4	SKU 5	Comments/Plans
Walmart SC	3,560	x	x	x			SKU 3 stocked at 2,000 Supercenters
Kroger	2,723	x	x	x	x		Category review November
Albertsons	2,278	x	x	x	x		New shelf set
Publix	1,360	x	x	x			Present SKU 4: July

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20 Tips to Accelerate a Mature Business

Activity	Strategy
Creative Promotions	Retailer specific events. Offer fresh ideas.
Distributor Brand Manager	Upgrade talent. Secure "A" players on your business.
Pricing	More profit through higher volume at lower price?
Country Manager	Hire local manager or assign HQ person for 3-6 months.
Local Production or Copacker	Lower cost structure with added complexity.
Brand Ambassadors	Hire team with "brand uniform" to sample at local events.
White Space – Distribution	Fill voids on retailer listing map: Top 10 customers.
Social Media	Partner with influencers. Targeted local investments.
New KPIs	New measures: Listing maps, shelf placement, etc.
E-commerce Development	Invest to lead in this emerging channel.
In-Store Visibility	Educate and measure team on in-store presence goals.
Sampling, Sampling, Sampling	Aggressive distribution of free sample size.
Distributor Team Linkage	Zoom/Teams contact with Key Account Managers, etc.
Launch NPD Innovation	Excite team to launch innovation "The Right Way."
Distributor CEO	Treat CEO as VIP. Create special relationship.
Sponsorship	Support local events and retailer charities.
Sales Contest	Excite and motivate retail sales team.
Alternate Channel Focus	Small shops, foodservice, duty free, drug stores.
High Spend Test	Will heavy up marketing or trade discounts drive sales?
Distributor Change	Motivated new team, high energy to solve old problems.

Ten Tips: Converting Promising Leads to New Partnerships

Have you ever experienced an incredible first meeting with a distributor? Strong alignment, good fit, everyone smiling, timelines agreed. Then, nothing happens! The export manager may take up to six months to translate his outlook from “done deal” to “dead deal.” There are two reasons why this occurs.

First, distributors are positive, competitive athletes, always striving to win new business. However, in some cases, the distributors wake up after time to reflect and decide they really weren't that interested in the brand after all. Failure also results when a strong first personal meeting at a trade show or distributor's office is followed by a relationship buried in email communication, with no personal touch. Below are Export Solutions' Ten Tips on converting promising new business leads into tangible business partnerships.

1. Zoom/Teams – Don't Depend on Email

Motivated distributors still return phone calls, but frequently receive up to 200 emails a day, many from existing brand partners. Top distributors' business days are captured by a continuous flow of meetings with customers, principals, and their own employees. Best bet is to call a potential partner or set up Zoom meetings. Email is okay for routine correspondence, but too easy to ignore or delete.

2. Follow Up Immediately & Frequently

Time slips away, as Export Managers focus on existing businesses and “problems of the day.” One tip is to put regular follow up reminders on your computer calendar.

3. Focus on 5 C's: Category Review, Calculation, Cost of Plan, Compliance, Contract

There are 5 critical elements to translate a “lead” into shipments.

Category Review: How does your category look in target country? Category size, competition, pricing, margins, and merchandising activity.

Calculation: What is the distributor's proposed calculation from your factory gate to the store shelf? What are standard costs like duties and taxes? What are flexible or negotiable like trade discounts and distributor margin?

Cost of Plan: Each brand needs a plan to gain market entry. This includes key

account “sell in,” followed by consumer and trade promotion activities. Look at the distributor's proposed plan, as well as several options with different price tags.

Compliance: Many countries feature a product registration process and labeling requirements. In some countries, this step is easy with automatic compliance for a USA or European brand. Or a simple solution with a small distributor applied sticker. In other countries like Japan or Indonesia, plan on one year or more to navigate the complex process.

Contract: “Ready, Set, Go” can be delayed by 3-6 months due to contract negotiations. Company lawyers demand 20 page agreements in English that even the Brits can't understand. Distributors prefer two page letters of understanding or a handshake deal. Do what is right for your business, but expect delays and frustration.

4. Request References

A good idea is to quickly request distributor references from other brands they handle. Motivated distributors will send impressive references right away. Also, have your credit department run a Dun and Bradstreet or Equifax report as soon as possible. Many trade show meetings are with “pretenders” who state exaggerated claims and are ultimately too small to handle your brand. Better to discover this sooner versus later.

5. Move Beyond the Distributor Owner/MD

The distributor owner “writes the checks,” but frequently serves as a “bottleneck.” The key is to quickly get your brand assigned to a “worker” whose task is to move your project through the system and produce an order!

6. Establish Realistic Timelines

Sync with category review dates and avoid holiday periods. Update timelines frequently. New distributor relationships always take longer. Plan on six months from first meeting to first shipment. Be pleasantly surprised if things move quicker.



7. Distributor Response Time Signals Interest Level

How often do you check your emails? Probably every hour. When I work on distributor search projects for well known brands like Pringles, Tabasco, or Barilla, distributor response is lightening fast. Motivated distributors will chase you if they are interested because they are anxious to start selling your brand!

8. Establish Regular Checkpoint Calls

I suggest every two weeks at a minimum. Use a common document of priorities, action steps, and due dates.

9. Visit the Distributor

It's amazing the amount of progress that will be made during a meeting at the distributor's office. Also, the distributor will work hard in advance of your visit as your project moves up the priority list and they want to guarantee a favorable impression. A visit to the distributor's market signals your commitment. Beware if the distributor is reluctant to schedule your visit. Either he has changed his mind about a partnership or his office and capabilities do not match the bold promises made at the initial trade show meeting.

10. Parallel Path Two Candidates per Country

A favorable first meeting represents an excellent start. However, there are still many steps (think 5 C's in point 3) before you sign a contract and receive your first order. Always keep two candidates in the process, in case your top choice disappoints. This can be tough, but represents a better option than needing to start the entire process over again.

5 USA Labeling Regulation Tips-FDA

So often we hear, "It is too complicated to export to the USA," when in reality, nothing is further from the truth. Every country has its requirements and regulations and the USA is no different. The regulations are pretty much the same whether you are a domestic producer or a foreign manufacturer. Once you acquaint yourself with the requirements, it really isn't that bad. If you follow what needs to be done, you have taken an important step in starting on a successful sales journey in the United States.

Here are some tips to get you started:

1. **Product name must be clear.** If not, you will need a product description immediately following the product name.
2. **Net Weight** statement must be in the lower 30% of the principle display panel (front label) and must include USA measure and the metric equivalent, e.g. NET WT 3.5 OZ (100g).
3. **Nutrition Facts:**
 - Serving size is based on the reference amounts established by the FDA NOT on 100g
 - Rounding rules have been followed
 - Only one of the FDA established formats have been used
 - Type size requirements have been followed
4. **Ingredient List:**
 - Ingredients are listed in the order of predominance by weight.
 - Only USA approved ingredients are used.
 - Components are listed by their USA accepted common or usual name. Multicomponent ingredients are either broken out or their individual ingredients are listed separately without the all-inclusive ingredient name
5. **Contact information:** If it is the foreign manufacturer, it must include the country even though the country of origin declaration (Made in ____) immediately appears above or below. If it is not the manufacturer, an explaining function must be included, e.g. "Imported by," "Exclusively distributed by" etc.

5 Common FDA Labeling Errors

Some common mistakes to avoid:

1. **Type Size** of all mandatory information is too small. It should be a minimum of 1/16 inch (1,6 mm) but should increase as package size increases. This requirement does not apply to the Nutrition Facts.
2. **Rounding** rules in the Nutrition Facts are not followed. These apply to calories, cholesterol, sodium and vitamins.
3. **Ingredients:**
 - Ensuring that the color is permitted in the USA (e.g., "safflower" is not permitted as a color)
 - Using the common or usual name of an ingredient (e.g., "cocoa mass" is not an accepted term in the US)
4. **Allergen Labeling:**
 - Ensuring that all allergens are clearly listed in the ingredient statement. Bolding, italicizing allergens is NOT permitted
 - Confirming that an ingredient is truly a recognized allergen in the USA (differences between US, Canadian and EU allergen lists)
 - Declaring the presence of trace allergens, if applicable
5. **Country of Origin** declaration is in close proximity to the contact information (e.g., manufacturer, or importer, etc., address).

The above is a brief overview. It is crucial to have a professional review a label to avoid unnecessary problems at the time of import. Eurofoods Regulatory Advisors, LLC stands ready to assist you. Feel free to contact us!

Good Luck & Happy Sales!

Margaret Eckert
President
Eurofoods Regulatory Advisors, LLC



Margaret Eckert
42 Lehigh Lane
Hicksville, NY 11801-3313
TEL: (516) 433-4864
www.eurofoodsreg.com
Info@eurofoodsreg.com

Margaret Eckert is President and Owner of Eurofoods Regulatory Advisors, LLC since January 2010. She has over 30 years experience assisting hundreds of foreign food and beverage companies to comply with all required regulations in order to successfully export their products to the USA and Canada. Works closely with USA and Canadian government agencies. Margaret has conducted many seminars both in the USA and in Germany on major topics affecting imported products. She regularly contributes to leading trade magazines in the USA on current and upcoming issues affecting the industry. For more information visit our web site at www.eurofoodsreg.com.

Prior to her current position, she was Director of Trade Relations for the German Agricultural Marketing Board – CMA North American Office, a foreign government agency, where she was responsible for aiding German food and beverage manufacturers to fulfill all necessary regulatory requirements. Organized the German participation at major trade shows. She also actively participated in the rulemaking process of the Nutrition Labeling and Education Act (NLEA), the Bioterrorism Act (BTA) as well as the USA – EU Beef Hormone Dispute and the US/EU Banana Dispute on behalf of the German industry. Margaret is now monitoring the Food Safety Modernization Act (FSMA) and its impact on imports.

How Well Do You Know the USA? 50 Industry Terms and Definitions

Channel/Category	Definition	Promotion	Definition
CPG	Consumer Packaged Goods – refers to our industry. Similar meaning to FMCG.	Robinson Patman Act	USA law states that all retail customers should get same price/promotional “opportunity”.
ACV	All Commodity Volume – used to describe brand penetration. i.e. 77 % ACV availability.	EDLP	Every day low price. Strategy used by Walmart and others. Fewer “short term” promotions.
FDM	Food, Drug, & Mass Channels	Hi Lo	Retailer strategy to offer higher everyday prices, but deep discount special offers.
Food/Grocery Channel	Supermarket Channel	Accrual	Promotional fund for retailer based upon a set amount per case purchased.
Drug Channel	Pharmacy Channel	Deal	Special promotion or allowance to a retailer as an incentive to push a product.
Supercenter	Hypermarket format of Walmart. Leading Walmart format and seller of food in USA.	TPR	Temporary Price Reduction. Usually, 10-20% price discount for 4 weeks, noted by in store tag.
Vendorville	Nickname for Bentonville, Arkansas. Global headquarters for Walmart.	Loyalty Card	Card (free) required by chains to obtain discounts/special offers. Retailers analyze data.
Club Channel	Membership Warehouse Clubs: Costco, Sam’s Clubs. Annual fee of \$40- \$100 to shop.	Ad	Weekly flier/circular by supermarket chains with special promotions and discounts.
Dollar Stores	Channel of retailers selling items for \$1 Dollar or similar. Dollar Tree.	Menu Cost	Standard “List Price” to participate in retailer activities: Ad, Display, Slotting Fee. Negotiable.
Foodservice Channel	Channel selling to restaurants, institutions (schools) and contract feeders (company cafeterias).	Slotting Fee	Fixed fee to gain entry for a product to a retailers shelf or wholesalers warehouse.
C Store	Convenience store. Includes chains like 7-11 and stores aligned with gas stations.	BOGO	Buy One Get One Free Promotion.
OTC	Over the Counter products. Healthcare products available without a prescription.	Scan Down	Discount paid to retailer on products scanned through the register behind a TPR promotion.
HBC	Health and Beauty care products.	In & Out	Temporary stocking of an item. Usually for a Holiday or special season. No Slotting fee.
GM	General Merchandise/Non Food products.	Billback	An allowance paid by brand owner to a retailer after proof of promotional performance.
Grocery	Usually shelf stable food and basic consumer items like paper towels and laundry supplies.	Shipper	Promotional display piece with point of sale material. Usually higher margin and “in and out”.
Spectra	Database analyzing demographic purchasing info for brands and categories.	Bonus Pack	Special size of a brand: free ounces versus the normal size. i.e., 80 oz for price of 60 oz.
Dunhumby	Database part owned by Kroger that analyzes purchase data & facilitates targeted marketing.	Lift	Incremental sales behind a promotion offer versus your normal sales rate.
Store Operations/Supply Chain		Dog	Slow selling brand or item.
Planogram	Schematic. Official layout of store fixtures	POS	Point of Sale materials. Promotional materials placed on shelf or display.
Modular	Same as Planogram. Term used by Walmart.	Coupon	A discount certificate providing an immediate savings (.25 - \$1.00) on a specific product.
Cut In	Processing of physically making space for your product on the shelf.	Double Coupon	Some retailers double value of coupons (up to .50) at their own expense to attract shoppers.
Reset	Process of physically updating the planogram of a store or category.	Neckhanger	Coupon or product literature attached to the neck of a bottle.
OOS	Out of Stock condition at warehouse or store.	FSI	Free Standing Coupon Insert. Coupon distributed via Sunday newspaper.
Shelf Hog	A brand that takes up more shelf space than other similar category items.	SPIF	Money to incent a sales representative to sell more of your product. Common in Foodservice.
Cheater Pack	Item that looks the same as competition, but actually has fewer ounces/grams.	Spender of the Year	Joke: Some state that “Vendor of Year” awards go to the biggest brand “Spenders of the Year”.
Broker	Agent providing headquarter sales, retail coverage and admin services for brands.		
Distributor	In USA, a wholesale distributor like UNFI, Kehe, or DPI that stocks 25,000+ specialty food items.		
SKU	Stock Keeping Unit. An individual item or brand size. Each SKU has an individual UPC.		
Retail Link	Walmart portal to share Point of Sale data with their vendors.		

Looking for more USA Industry terms and definitions?

100 + commonly used terms and their meanings.

Free Access: www.exportsolutions.com

Ten Step Distributor Search Process

1. Determine Brand Ambition for Country

Will your brand be a category leader, player, or niche participant?

2. Establish Distributor Selection Criteria

Big brand distributor, category specialist, or smaller entrepreneur?

3. Create a Pool of Candidates

Export Solutions' database tracks 9,700 distributors in 96 countries.

4. Determine Candidates Preliminary Interest Level

Send introductory email, followed by phone call within 48 hours.

5. Introductory Web Interview

One hour meeting to share credentials and confirm interest.

6. Local Interview at Distributor's Office

4-6 weeks lead time. 2 hour meetings. Send advance agenda.

7. Independent Store Checks

Provides category insights and "real" distributor performance for current brands handled.



8. Interview Preparation: Scorecard, Samples, Your Presentation, Key Questions

Export Solutions' templates: Assessment Scorecard & Ten Questions for every interview.

9. Distributor Interviews – Target 3 Candidates

Review capabilities, warehouse, cost to serve, and interest in your brand.

10. Cooperation Model

What is the plan? Year one plan, pricing calculation, and timeline.

Talk to an Expert

- Find Distributors in 96 Countries
- International Strategy Road Map
- Fix Problem Markets
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Need a Hand? – 40 Great USA Resources

Sector Experts	
Brand/Market Tests	www.gamechanger.net
Category Management	www.thepartneringgroup.com
Contract Sales Management	www.ramgroup.net
German Brands	www.germanfoods.org
Health & Personal Care	www.emersongroup.com
Private Label	www.daymon.com
Recruiting	www.cpgjobs.com
Regulatory/Labels	www.eurofoodsreg.com
Sales Strategy	www.exportsolutions.com
UK Brands	www.greenseedgroup.com
Sector Facts	Specialty
Bevnet	Beverage
CIA Factbook	Country Facts
Consumer Brands Association	Manufacturers
Export Solutions	Retailer Database
Food Marketing Institute	Industry Facts
Foreign Agricultural Service	Reports/Stats
IDDBA	Dairy, Deli, Meat
Kantar	Retailer Insights
National Confectioners Association	Candy & Snacks
National Restaurant Association	Foodservice
Nasft	Specialty Food



News Topic	
Analysis	www.morningnewsbeat.com
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Brands	www.supermarketguru.com
Candy & Snacks	www.candysnacktoday.com
Gourmet	www.gourmetretailer.com
Gourmet	www.specialtyfood.com
Manufacturers	www.smartbrief.com
Manufacturers	www.progressivegrocer.com
Marketing	www.adage.com
Supermarkets	www.supermarketnews.com
Trade Shows	Specialty
Comida Latina	Hispanic Food
ECRM	Buyers Shows
Fancy Food	Gourmet
IDDBA	Dairy, Deli, Bakery
NACDS	Health & Personal care
NACS	Beverages
Expo West	Natural Foods
NRA	Food Service
PLMA	Private Label
Sweets and Snacks	Candy & Snacks

Ten Tips: Action Steps for Poor Performing Countries

Every exporter has countries where their brand performance lags far behind expectations and market potential. This appears as a serious issue when the poor results are in a large strategic country like the USA or China. The first step to fixing the situation is to admit that you have a problem. Too many times, export managers loyally cling to their plan and existing distributor with hope that “next year will be better.” The likelihood is that sub-par trends will continue without intervention. Remember, it’s your quota and job that suffer due to lackluster results in a country. Listed below are Export Solutions’ 10 Tips on action steps for under performing countries.

1. Look in the Mirror

Chances are that your current brand proposition is wrong for the country. Your product sales are a reflection on buyer and consumer response to your product range. An underqualified partner does not help, but is usually just part of the problem.

2. Research Consumer Habits

Conduct category research to understand why consumers in a foreign country do not appreciate your brand like they do “back home.” Category habits and development vary widely, particularly around food products. Recently, I confirmed several examples where Asian consumers demonstrated little interest in certain Western style foods (although everyone loves candy and snacks!).

3. Investment Level

Many poor performers suffer the classic issue of insufficient funds to invest in marketing and trade programs. There is a cost of doing business everywhere and the investment requirements can be huge in a place like China or the USA. Best bet is to break down the country into smaller areas and focus on targeted investments with high potential, regional retailers where your brand has a higher probability of success. Avoid the attraction of large, national retailers where you realistically cannot support the business. Don’t expect miracles without basic investments in marketing and trade promotion.

4. Establish and Track In Store KPI’s

Many exporters focus primarily on monthly shipment numbers. Shipments represent the ultimate scorecard, but we strongly advocate the implementation of in-store metrics. This process starts with major

account listing maps, tracking your SKU level authorizations for major customers. The second step is to launch and measure in-store presence guidelines. How do you judge a good store from a bad store? Ultimately, shipments are a reflection of consumer purchases, not inventory sitting in a distributor’s warehouse. “What’s measured is treasured.”

5. Spend a Day at Retail With Your Distributor Executives

We all spend too much time in comfy meeting rooms sharing PowerPoint presentations with optimistic plans. Dedicate time for retail with the distributor executive team. Visit stores at random, picking an area on the other side of town from the distributor’s office. Create a store check sheet to capture observations such as shelf space, promotions, and competitive activity. Speak to aisle clerks and store managers to get “street smart” on your product and category performance.

6. Secure Direct Buyer Feedback

Every distributor should maintain excellent trade relations with at least one of his key accounts (if not all!). Schedule an appointment or a lunch with a friendly buyer to secure his point of view. Try to keep the conversation focused around category dynamics and trends versus just a request for more trade spending. Buyers love to serve as “experts” and may support you if you follow their advice.

7. Distributor Brand Manager

The Distributor Brand Manager serves as our everyday contact and the conduit to distributor resources. Problems may relate to having an experienced brand manager handling too many companies or a junior brand manager, lacking the clout to get things done with the busy sales team. We all like our Brand Managers, as they take our calls and rescue us periodically. However, sometimes it’s just not working and you need a change.



8. Share Best Practices – Adjacent Countries

Every distributor will be quick to point out “How different their country is.” The reality is that there are more similarities between countries than differences. Look at an adjacent country or one with common retailers and share lessons learned. This may represent a category review, presentation approach or special sales contest. Invite the brand manager to visit a successful country or attend a meeting where best practices are shared.

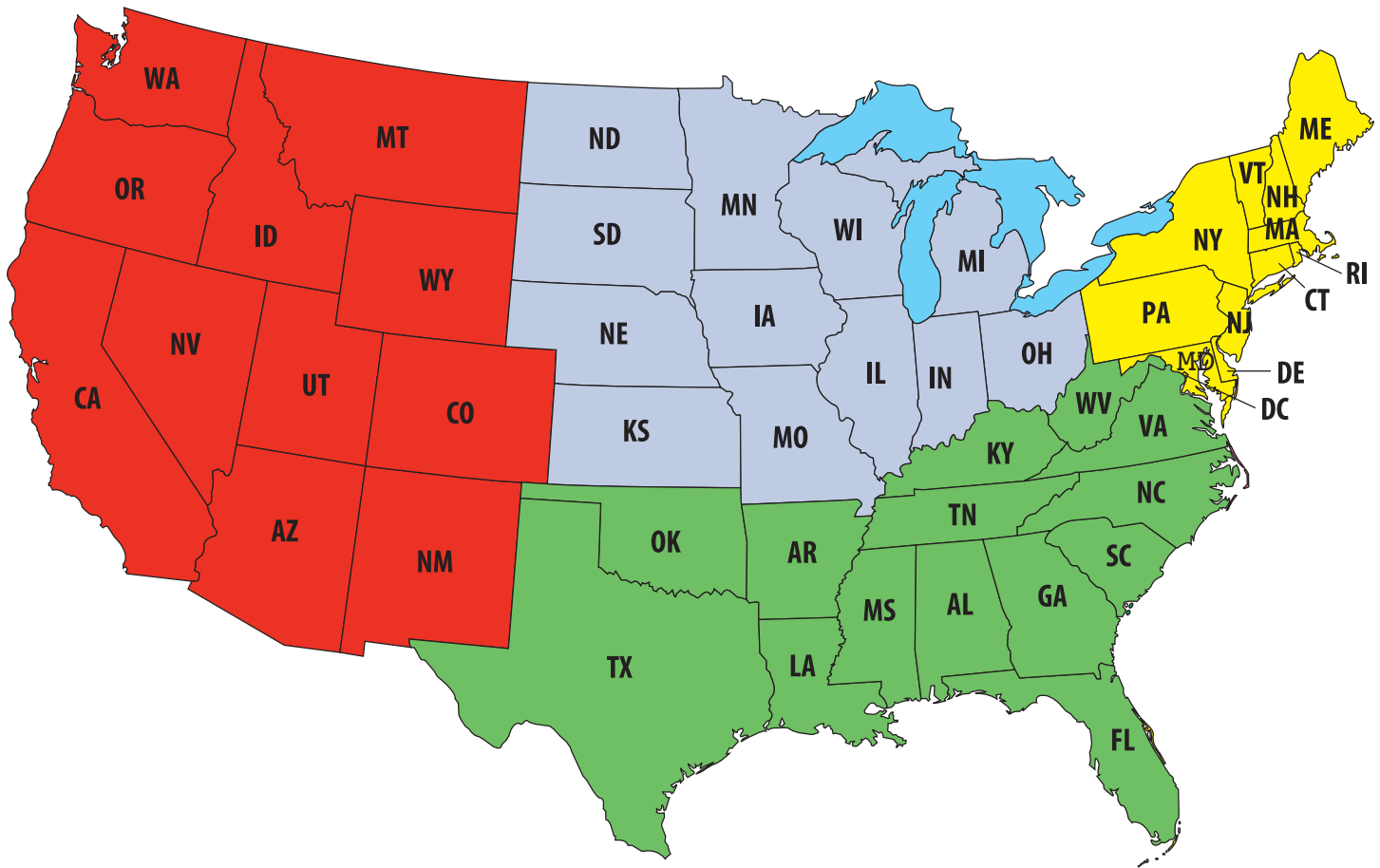
9. FaceTime in the Trenches

Distributors appreciate export managers willing to contribute to joint resolution of problems. Consider sending a company employee to work for 3-6 months on assignment at the distributor. Visit quarterly or more frequently. Schedule bi-weekly update calls. Better to focus attention on fixing a high potential country than regular visits to small countries achieving their objectives. “Distributor respects what the principal inspects.”

10. Partner Change

A distributor change is the last resort, but sometimes partners outgrow each other and are no longer a “fit.” Export Solutions’ database tracks an average of 85 distributors per country, so you always maintain options. Transition to a new distributor involves business disruption and even a temporary decline in shipments. The good news is that your new distributor will be motivated, committed and anxious to make a positive impression with a fast start. The key is to manage the process with dignity and open communication, so that the terminated distributor is not surprised by your actions.

USA Population by Region



Region	Population (millions)	Percentage of USA Population
South	133	39%
Northeast	57	17%
Midwest	69	20%
West	79	24%
Total	338	

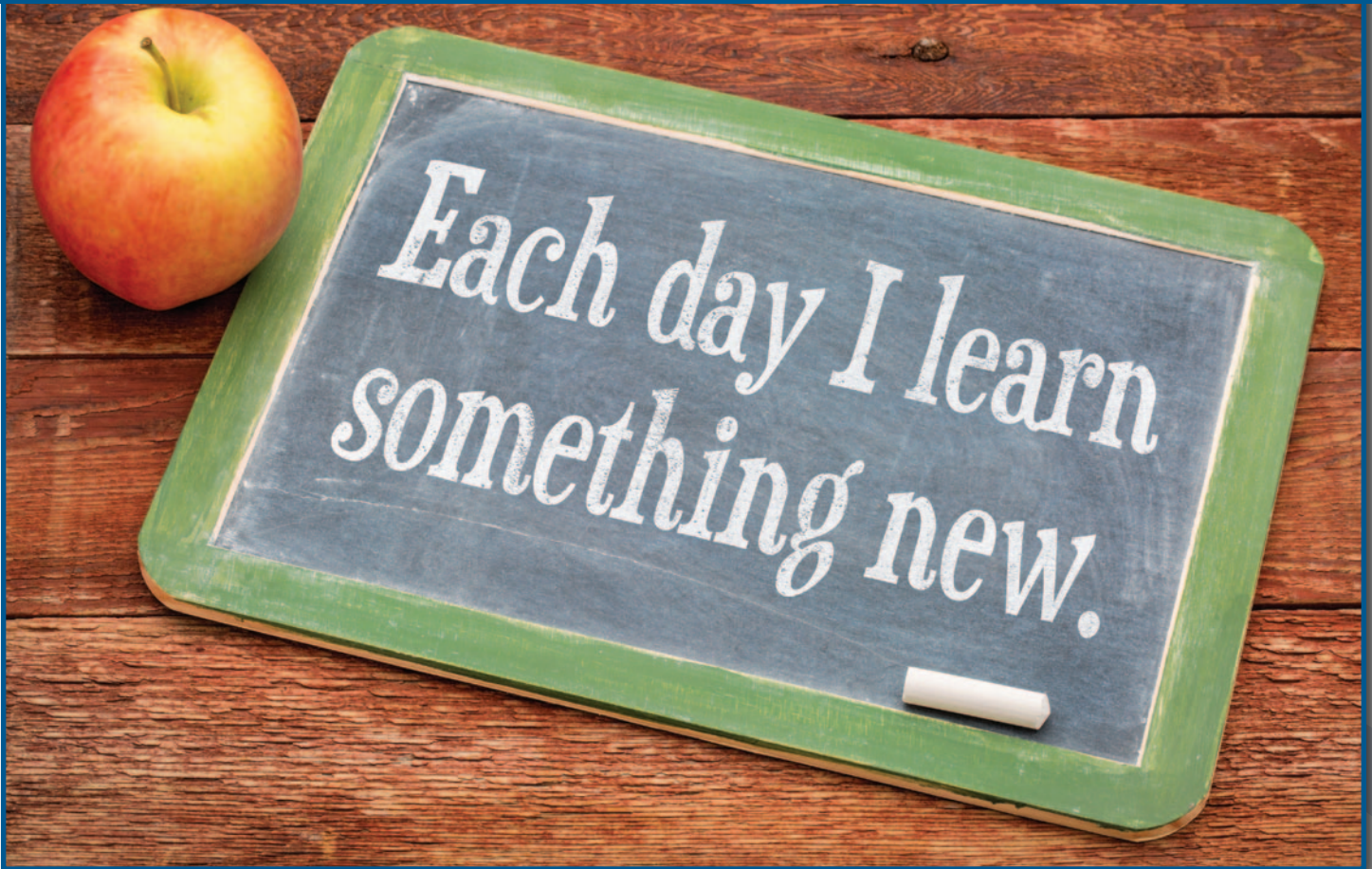
*estimated 2024

Distributor Capability Assessment

Export Solutions established 15 assessment criteria to identify “Best in Class” performers as well as “under achievers.” Many distributor relationships extend 10 years or more. Is your distributor network still a “good fit” for your current business requirements? Template can also be used as New Distributor Reference Check form.

Assessment Criteria	Rating: (10 = Best)
Category Expertise/Critical Mass	
Focus/Time Dedicated to your Business	
Joint Business Plan Development, Execution, Delivery	
Alignment with Brand Owners Vision. Relationship.	
Cost to Serve (fair margin, extra costs)	
Assortment/Shelf Space	
Promotion Creativity, Effectiveness, and Efficiency	
Key Account Relations (Senior level, buyer)	
Leadership/Owner (engaged & committed to us?)	
Brand Manager (seniority, clout,creativity)	
Multi Channel, Multi Regional Coverage	
Financial Stability, Payment Record	
Supply Chain Management & Forecasting	
Problem Solving: rapid response?	
Sales Results versus Budget, Market, Category (CY, PY, 3 Years)	

Export **Workshops** & Speeches by Greg Seminara



Export Workshop Overview

- Web and on-site workshop options available
- 8 Export Development & Distributor Management Modules
- Includes 25 Common Export Problems group work
- 200+ topics available for tailored workshop
- One hour keynote or motivational speech



**Contact Greg Seminara for
more details and references:
gseminara@exportsolutions.com.**



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Where Do You Want to Grow?

Asia/Africa/Middle East

	Australia – 284 Distributors
	China – 161 Distributors
	Hong Kong – 182 Distributors
	India – 110 Distributors
	Indonesia – 80 Distributors
	Japan – 176 Distributors
	Korea – 147 Distributors
	Malaysia – 128 Distributors
	Philippines – 120 Distributors
	Singapore – 164 Distributors
	Thailand – 103 Distributors
	Vietnam – 52 Distributors
	Israel – 82 Distributors
	Saudi Arabia – 111 Distributors
	U.A.E. – 206 Distributors
	South Africa – 114 Distributors

Plus 14 more countries

Europe

	Austria – 72 Distributors
	Belgium – 91 Distributors
	Croatia – 78 Distributors
	France – 134 Distributors
	Germany – 203 Distributors
	Greece – 93 Distributors
	Hungary – 71 Distributors
	Italy – 114 Distributors
	Netherlands – 162 Distributors
	Poland – 107 Distributors
	Russia – Not Available
	Spain – 173 Distributors
	Sweden – 110 Distributors
	Switzerland – 104 Distributors
	Turkey – 96 Distributors
	U.K. – 281 Distributors

Plus 19 more countries

Americas

	Argentina – 60 Distributors
	Bolivia – 55 Distributors
	Brazil – 151 Distributors
	Canada – 232 Distributors
	Chile – 99 Distributors
	Colombia – 87 Distributors
	Costa Rica – 77 Distributors
	Ecuador – 62 Distributors
	Guatemala – 66 Distributors
	Mexico – 206 Distributors
	Panama – 65 Distributors
	Paraguay – 59 Distributors
	Peru – 84 Distributors
	Uruguay – 59 Distributors
	USA – 654 Distributors
	Venezuela – 38 Distributors

Plus 14 more countries

*Use Export Solutions Database
to fill in the Gaps in your
Export Coverage Map*

