F&B EXPORTERS
A WINNING EXPORT STRATEGY
PERTH, 30 NOVEMBER 2018
GET EXPORTING

WHAT WE DO

- EXPORT STRATEGY
- SALES
- DISTRIBUTOR MANAGEMENT
OUR REACH

"BEING THERE IS EVERYTHING "
PREPARE EXPORT STRATEGY

- Countries
- Distb. Model
- Channels & costs

Competitor analysis

Price position
DISTRIBUTION MODELS

**Importer and Distributor**
- **Advantages**
  - Local brand custodian with vested interest in your success
  - Allows access to whole of market
  - Merchandising & marketing support
  - Knows retailer norms and has leverage with buyers
  - Getting paid simple
- **Disadvantages**
  - Additional distributor margin increases price
  - Limited control
  - Distributor may lack focus
  - Importer can gain favour with retail buyers at Principal’s expense (i.e. by negotiating higher listing fees)
  - Payment of listing fees and A&P mandatory

**Agent or 3PL**
- **Advantages**
  - Reduces distributor margin
  - Greater Control
  - Direct relationship with retail buyer
- **Disadvantages**
  - Financially intensive
  - Getting paid complex
  - In-market partner carries no risk so no disincentive for poor performance
  - Need high volume sales for 3PL to be viable
  - Takes longer to convert multiple accounts

**Consolidator**
- **Advantages**
  - One of many brands in a catalogue
    - Limited control
  - No brand custodian in-market
  - No assistance with marketing and promotion
- **Disadvantages**
  - Reduces margin build - in theory, Avoid/reduce entry costs
  - Retailers favour direct purchase brands
  - Direct relationship with buyers
  - Getting paid simple

**Direct to Retail**
- **Advantages**
  - Retailers have no long term brand strategy
  - No assistance with marketing
  - Brand must perform on it’s own merits or be delisted
- **Disadvantages**
  - Takes longer to convert multiple accounts
DISTRIBUTION & SALES

- **Pitch**
- **Distribution proposals**
  1) Recommended SKUs
  2) Target sales channels
  3) Basic marketing plan & $
  4) Market entry costs
  5) Proposed price structure
  6) Sales forecast

- **Negotiate agreement**
  - FDA registration
  - Marketing plan
  - PO

- Implementation of distribution plan
  - Regular meetings
  - Tracking sales
  - NPD support
COMPETITOR ANALYSIS

MARKET SURVEY    TARGET COMPETITORS
PRICE POSITION
A KEY CONSIDERATION FOR DISTRIBUTORS!

COST MODEL

TARGET PRICE

PRICE POSITION
KOREA

INCITE
<table>
<thead>
<tr>
<th>Country</th>
<th>Pre Export</th>
<th>Export Docs</th>
<th>Halal</th>
<th>Special Requirements</th>
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<tbody>
<tr>
<td>Singapore</td>
<td>Generally None</td>
<td>Health Cert (animal products)</td>
<td>Requirement for major FS accounts</td>
<td>Distributor details on packaging (over sticker)</td>
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<td>Hong Kong</td>
<td>Generally None</td>
<td>Health Cert (animal products)</td>
<td>Not required</td>
<td>Chinese label (over sticker)</td>
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<td>Animal products need DVS approval</td>
<td>- Health Cert (animal products) - Halal Cert (animal products &amp; packaging claims)</td>
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<td>- Halal must be JAKIM approved. - Distributor details on packaging (over sticker)</td>
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<td>Taiwan</td>
<td>Sensitive product categories may require 3rd party testing (e.g. SGS)</td>
<td>- Health Cert (animal products) - Packaging Declaration - COA - Organic Cert (if on label)</td>
<td>Not required</td>
<td>- Stringent requirements for Ingredients, pesticide residue, chemicals. - Chinese label (over sticker)</td>
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<td>South Korea</td>
<td>Pre-approval from KFDA required incl lab testing</td>
<td>- Packaging must match KFDA records</td>
<td>Not required</td>
<td>- Stringent requirements for food labeling. Eg can’t say “low salt” - Korean label (over sticker)</td>
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<td>- Korean label (over sticker)</td>
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<tr>
<td>Thailand</td>
<td>Complex FDA (3-12+m)</td>
<td>- Health Cert (Animal products)</td>
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<td>- Product specific requirements</td>
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<td>- Ingredients declaration</td>
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<td>- COA and/or product Specs</td>
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<td>- Regulation changes</td>
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<td>- Customs challenges</td>
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<tr>
<td>Philippines</td>
<td>Complex BPOM (6-12+m)</td>
<td>- Animal products require Health Certs</td>
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<td>- Numerous product/category specific requirements</td>
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<td>- distributor details on packaging (over sticker)</td>
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# FOOD SERVICE CHANNELS

## Regional
- McDonald's
- Burger King
- Jollibee
- Jollibee
- Tony Roma's
- Pizza Hut
- CoCo
- Dunkin' Donuts
- Starbucks
- Papa John's

## Large Groups
- MOS Burger
- Pepper Lunch
- Fridays
- Nando's
- Gong Cha
- Chatime
- BreadTalk

## Country Specific
- 85°
- 7 Eleven
- Pret A Manger
- The Soup Spoon
- S&P
- Black Canyon Coffee
- Yellow Cab
- Kopi Tiam
- Old Town White Coffee
## Retail Channels & Costs

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<tr>
<th>Country</th>
<th>Dairy Farm</th>
<th>Tesco</th>
<th>Costco Wholesale</th>
<th>Carrefour</th>
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<td>Homeplus</td>
<td>Costco Korea</td>
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<td>Jasons</td>
<td>Costco Taiwan</td>
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<td>Carrefour Hypermart</td>
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<td>Singapore</td>
<td>Market Place, Welcome, Cold Storage, Giant, 7-Eleven</td>
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<td>Malaysia</td>
<td>Cold Storage, Giant, Mercato, Market Place, 7-Eleven</td>
<td>Tesco Hypermarket</td>
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<td>Aeon Big, Aeon Mall, Aeon Store, Aeon Max Value</td>
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<td>Vietnam</td>
<td>Hero, Giant</td>
<td>Tesco Hypermarket</td>
<td>Carrefour Hypermart</td>
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</table>
Standard in all major retail channels throughout Asia, except Korea

Entry costs buy you 3-6 months to prove results

Expectation is that the Principal pays entry costs

Be realistic about volume potential and ROI
RETAIL - LISTING FEES

Singapore
Cold Storage: SGD 100.00/SKU/Store | Plus processing fees
NTUC: SGD 100.00 1st SKU/Store, then $30.00/variant/Store + processing fees

Philippines
Rustans: PHP 2,500.00-5,000.00/SKU/Store

Hong Kong
AS Watson: HK 1,000.00/SKU/Store
In advance of listing, some retailers will also demand suppliers commit to retailer led advertising and promotion (A&P) initiatives.

Other activity includes tasting programs, mailers, festive season promotions, new store opening campaigns, concert sponsorship promotions etc.

Sometimes possible to negotiate bundled listing + A&P package.

Norm for Principal to pay fees, distributor to cover product, promoters and promo discount.
COMPULSORY A&P

Singapore
Cold Storage: Min. 2 x AOs (SGD 8,000.00 each); 1 x MO (SGD 3,000.00)

Philippines
Shoe Mart (SM): Advertising Offer/Mailer x 2 per annum: PHP 400,000 each

Hong Kong
PNS: 2-5% Introductory Discount for 6-9 months + HK $60,000 A&P
Competition is intense. Promotion crucial

Typical to focus on in-store activity - price off's, tasting programs

Price off's effective, but need to avoid 'discount brand' tag

Sampling programs effective, but expensive

ATL marketing effective only once all distribution channels established
FOOD SERVICE - EARLY STAGE PROMOTION

FOC stock for seeding accounts
Product demos using celebrity chefs
In HORECA promotion of ingredients usage
Co-promotion with other ingredients
Celebrity chef brand ambassador
Prepare export strategy
Pitch
Negotiate agreement
Distribution proposal
FDA registration
Seed customers
First PO received

6-12 MONTHS
HELPING F&B EXPORTERS THRIVE

"WE FAST TRACK EXPORT SUCCESS"

INCITE.