FINNLAND GERMANY **RETAIL CAMPAIGNS COACHING DAY 2019 LILI LEHTOVUORI SENIOR ADVISOR /GLOBAL OPPORTUNITY LEADER BUSINESS FINLAND AUSTRIA**

September 2019 © Business Finland





- Finnish F&B Exports to Germany
- German Consumer + Grocery Retail Channel structure Characteristics
- FFF Retail Campaigns in Germany
 WHY?
 WHAT?
- Retail campaign process
 HOW?
- How to prepare for the German retail campaigns
- Company Case Perttu Korolainen, Linkosuo

FINNISH F&B EXPORTS TO GERMANY

BUSINESS FINNISH F&B EXPORTS

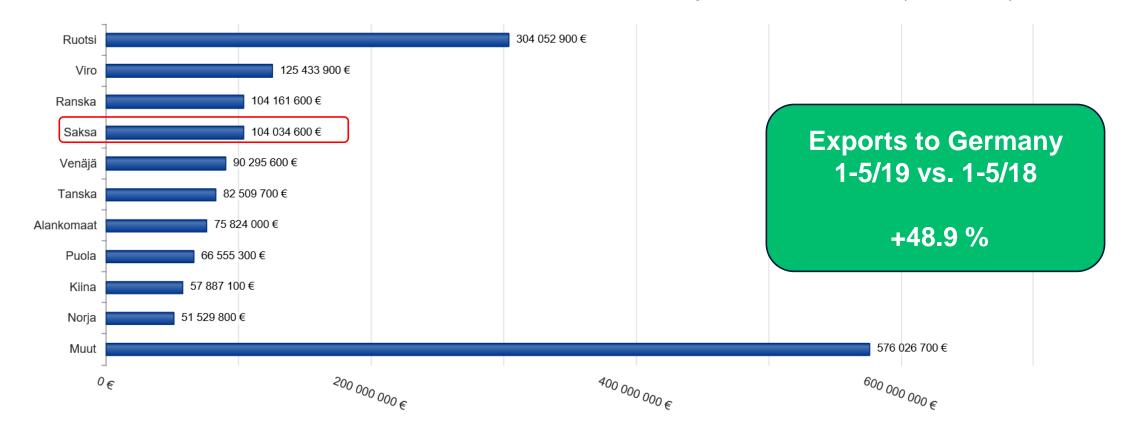


Germany is the #4 country for F&B exports

Exports 104 mn EUR (6/18-5/19)

Tuonti & Vienti > Vienti > Maittain

Vienti maittain (1 638,5 milj. euroa)



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BUSINESS FINNISH F&B EXPORTS TO GERMANY





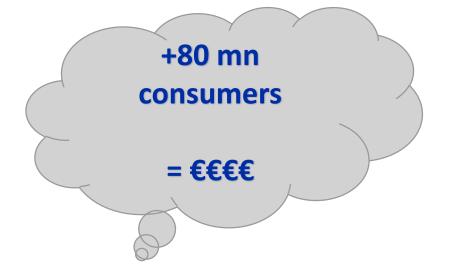
- Germany is Finland's 4th largest F&B export market
- Exports 104 mn EUR (6/18-5/19)
- Largest product categories:
 - Grain and bakery products
 - Alcohol
 - Chocolate and sweets
 - Dairy products
 - Berry based products
- Largest part of exports is ingredients and private labels

Target to increase the share of branded products in export

GERMAN CONSUMER + GROCERY RETAIL CHANNEL STRUCTURE - CHARACTERISTICS

















North Germany West Germany Cities

Healthy + Organic

Detail oriented

Quality = competitive price Quality = high price

South Germany East Germany Country side

BUSINESS GERMAN GROCERY RETAIL CHANNEL STRUCTURE











Name	Market share %	# of stores	Store type
EDEKA EDEKA NETTO C&C	21.5	6 610 4 320 1 580	Supermarket Discounter Cash & carry
REWE REWE PENNY	14.7	4 601 2 200	Supermarket Discounter
Schwarz Gruppe LIDL KAUFLAND	14.7	3 200 664	Discounter Hypermarket
ALDI	11.1	4 112	Discounter

~62 % market share

		FOOD FROM
Market share %	# of stores	Store type
5.6	-	online
5.0	382	Cash & carry
3.3	n.a.	Gas stations + kiosks
3.0	1 892	Drugstore
2.4	2 100	Drugstore
1.9	144	Hypermarket
1.9	93 3	Supermarket Hypermarket/cash & carry
1.5	53	Cash & carry
1.3	1 314	Discounter
1.2	551	Drugstore
0.6	98	Supermarket
0.5	335	Supermarket
0.5	290 269	Organic
0.4	273	Supermarket
0.3	-	online
9	-	
	% 5.6 5.0 3.3 3.0 2.4 1.9 1.9 1.9 1.3 1.2 0.6 0.5 0.5 0.5 0.4 0.3	% stores 5.6 - 5.0 382 3.3 n.a. 3.0 1 892 2.4 2 100 1.9 144 1.9 93 1.5 53 1.5 53 1.3 1 314 1.2 551 0.6 98 0.5 335 0.5 290 2.49 273 0.3 -

BUSINESS CHARACTERISTICS OF FINLAND GERMAN GROCEY RETAIL

I can sell the same way to REWE and EDEKA as I sell to Kesko and S-group

"If you want to play with them, you need to play with their rules"

German BBD pref. min. 12 months Replies in max. 1-2 days Displays Not full pallets, mixed pallets EU packaging regulations + German regulations **GS1** Germany 45-60 days payment time WKZ-Werbekostenzuschlag / free product deliveries EDEKA: Pallet Height 105 cm Logistic labels EAN128 (CCG1) IFS, BRC, beer: recycling system

Importer/distributor

FOOD FROM Finland

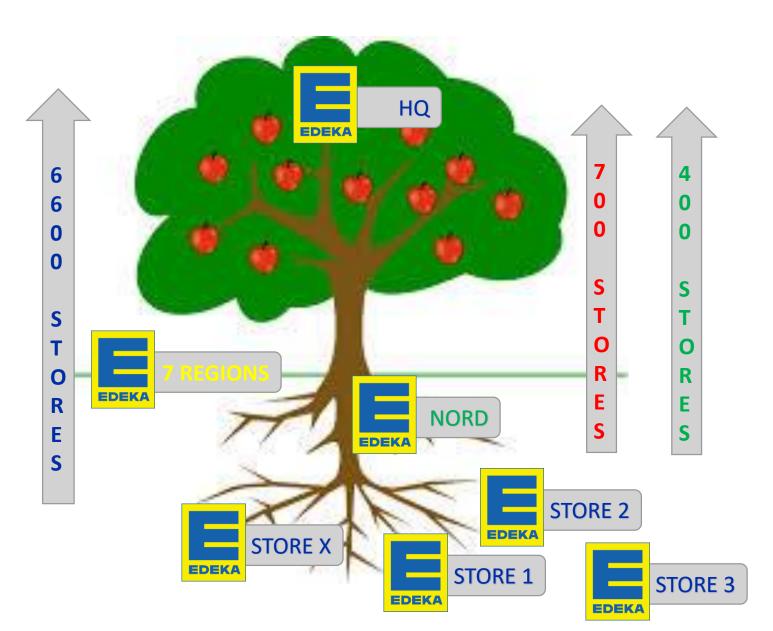
English, Finnish

Replies "when I have time" Cartons Full pallets EU packaging regulations

GS1 Finland (Synkka)30 days payment time

FSSC 22 000

BUSINESS BOTTOM-UP APPROACH





BUSINESS **"FILLING THE SAUSAGE FROM BOTH ENDS"**



REGION

- Getting the products listed so that they can be ordered by the stores
- Agreeing flyer etc. + selling to stores / presence at EDEKA fair



- Getting the products ordered by the stores
- Consumer promotion in the stores

BUSINESS FOOD FROM **FINNISH F&B PRODUCTS TO GERMAN RETAIL CHANNEL** FINLAND Finland 1-5 years Local Importer/Distributor "TRUST" **International Trade** + 1-2 years Fairs **Buyer contact Sales Development Product introduction** + 1-2 years Local trade shows Samples, prices, packaging, marketing plan **Needed adjustments 1-to-1 contacting** Product data in GS1 system etc. = min. 5 years + getting more stores on board **Other Finnish** Sales at Retail Chain's internal fair Im Prinzip... "Durchgang" = product + tasting day sales companies round in the stores Delivery to central warehouse or to the + repeating the stores (Streckenlieferung) which ordered the products same.. Launch campaign with flyer, tastings, FB marketing etc. Follow-up: After 3-6 months analysis: how many % of delivered products are still on the shelves

Decisions how to continue

.ganz einfach!

FFF RETAIL CAMPAIGNS IN GERMANY

BUSINESS RETAIL CAMPAIGNS IN GERMANY - BENEFITS FOR THE COMPANIES





A quick access to test the operations with German retail channel

WHY?

Getting feedback from (a) German

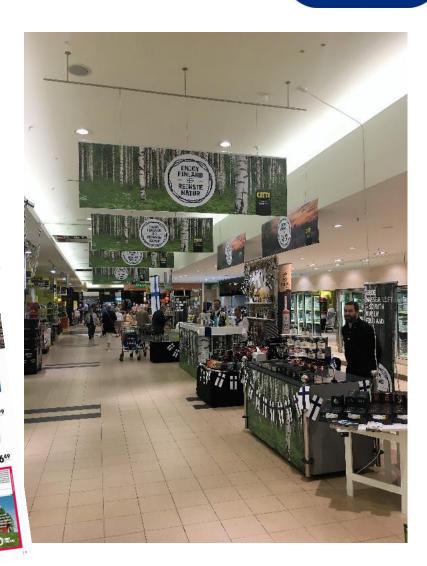
- Importer
- Retailer buyer
- Store owners/managers
- Consumers
- Potentially a market entry
- More visibility under FINNLAND AUS DER WILDNIS concept + sales development

BUSINESS FINLAND = REINSTE NATUR @CITTI 2017 & 2018 & 2019 ENJOY FINLAND - REINSTE NATUR

ENJOY FINLAND REINSTE NATUR



September 2019 © Business Finland



WHAT?

FOOD FROM

Finland

BUSINESS FINLAND @LIEFERELLO 2017 & 2018 & 2019 WHAT?









BUSINESS FINLAND GRÜNE WOCHE – FINNLAND "AUS DER WILDNIS" @KADEWE & @ ALSTERHAUS 21.1.-2.2.2019 WHAT? Finland







AUS DER WILDNIS FINNLAND WOCHEN

Finnland ist Partnerland der Internationalen Grünen Woche (IGW), die Im Januar 2019 in Berlin stattfindet, und überbringt Grüße »aus der Wildnis«.

Food from Finland und Visit Finland laden Sie gemeinsam mit dem Alsterhaus zu den kulinarischen Aktionswochen »Aus der Wildnis« ein. Sie erwarten Haferund Roggenprodukte, Süßigkeiten, Biere und andere Alkoholspezialitäten, außergewöhnliche Getränke und landestypische Fischerzeugnisse.



BUSINESS **"AUS DER WILDNIS" @EDEKA NORD FAIR 2019**







WHAT?

BUSINESS **"AUS DER WILDNIS" CAMPAIGN @EDEKA NORD - 80 STORES - 2019**







WHAT?

BUSINESS "AUS DER WILDNIS" CAMPAIGN **@GLOBUS ROSTOCK – 2019** FINLAND







Roggentin: Spezialitätenwoche im Globus eröffnet / Vier Finninnen bieten Produkte und Gespräche an

55

Das war uns wichtig dass die Artikel gan? authentisch angebo ten werden, nämlich von Menschen, die in

Finnland zu Hause sind



WHAT?

r Gemeinde Roggentin, Er- mat in deutschen Supermarkt- Mit der 2016 gestarteten Akad Bünger, und Globus-Ge- regalen zu finder. Ein Grund tion Food from Finland will han brager, was viscous-ve-haftsleiter Frank Meißler of-dafür sei beispielsweise, dass Business Finland den Export aell die 1. Finnland-Woche die Etiketten und Inhaltsanga- heimischer Produkte nach

Roggenprodukt gibt." So war gründet", erzählt Nicolas Ples- zeugnisse, "Bis Mittwochsen, der am Stand Kostproben abend wurden schon 350 Arti-

Volumen von 90 Millionen Euro and use a remnand-woone die Brukernen und Inhaltsange- heimischer Produkte nach ist Businese Land viel auf Mes-nach und Andre Produkten auf Pin- Deutschland innerhalb von funt son wie der Grünen Woche un-Jahren verdongeln. Mit einem

BUSINESS **"AUS DER WILDNIS" @REWE MITTE FAIR MARCH 2020**







BUSINESS **"AUS DER WILDNIS" @BIOCOMPANY – JANUARY 2020**





BIO COMPANY®

September 2019 © Business Finland



RETAIL CAMPAIGN PROCESS

BUSINESS **RETAIL CAMPAIGN PROCESS** FINLAND

Local Importer/Distributor

Your own distributor – listed in the target channel

Food for Germany – listed in all target retail channels Teamblue – importer for alcohol products

Finnische Getränkehandel & Import FGI **GmbH – importer for alcohol products**

Velfrisk – listed in Northern Germany



Chain + Buyer contact Sales Development Product introduction Samples, prices, packaging, marketing plan Product data in GS1 system etc. Sales at Retail Chain's internal fair "Durchgang" = product + tasting day sales round in the stores Delivery to central warehouse or to the stores (Streckenlieferung) which ordered the products Launch campaign with flyer, tastings, FB marketing etc. Follow-up: After 3-6 months analysis: how many % of delivered products are still on the shelves **Decisions how to continue**

HOW?

Needed adjustments + getting more stores on board

+ repeating the same..

+ introduction of new products

+ 1-2 years

FOOD FROM

Finland

+ 1-2 years

Im Prinzip...



...ganz einfäch

BUSINESS RETAIL CAMPAIGNS IN GERMANY - COSTS FOR THE COMPANIES



HOW?



- Sending samples
- Participation fee + personnel at the internal fair
- Sales round in the stores
- Marketing fee (WKZ) for the campaign
- Tasting days
 - Personnel
 - Tasting products
- Food from Finland supports max. 50 % of the costs

Please note: after you send samples and prices you also commit to deliver

HOW TO PREPARE FOR THE GERMAN RETAIL CHANNEL + CAMPAIGNS



MARKETING MATERIALS

C

FUR DEN TAG

Nahrhaft Barebar

BareBA



Wilde Kräuter und gereifte Spirituosen aus dem Herzen der finnischen Natur

Die Ägräs Destillerie befindet sich in Fiskars, cinem historischen Dorf inmitten der wunder schönen Natur Finnlands, das woltweit für seine Traditionen und Handwerkskunst bekannt ist.

Unsere Philosophie über die Kunst des Destillierens heruht auf Jahrhunderte alten Traditionen und dem Wissen über wilde Kräuter zur Herstellung von Elixieren und Spirituosen, die Körner und Geist heilen Wir verflüssigen dieses Wissen mit unserem tzigartigen Akvavit und Gin, die sich durch die natürliche Reinheit unserer Zutaten auszeichnen

Aus dem reinen Wasser in Fiskars sowie aus gewählten Wurzeln, Samen, Blumen, Kräutern und Beeren unserer Natur kreieren wir einzigartige Spirituisen zum Genießen - exklusiv für den Rest der Welt

misther Warheiderhowen all nd ochian Essehuare

www.agrasdistillery.com



IHRE TÄGLICHE PORTION BEEREN REINE BEEREN AUS DEM NORDEN.

GANZJÄHRIG UNKOMPLIZIERT ZU GENIEBEN



> How to show the buyer and consumers that you're seriously coming to the German market?

HOW?

- Story & Sales Arguments
 - USP = unique selling proposition
- Web page in German
 - Please note the German regulations: Impressium + • Datenschutzerklärung
- Flyer in German

 Translator contacts from lili.lehtovuori@businesfinland.fi

XXXXX Oy 1-PAGER FOR RETAIL CAMPAIGNS HOW?





- Xxxxx
- Xxxxx
- XXXX

Sales slogan / Werbeslogan

• Xxxxx

Presentation text with USP (unique selling proposition) + short sales arguments / Präsentationstext + Verkaufsargumente in Kürze

- Xxxxx
- Xxxxx
- Xxxxx
- Xxxxx

Certificates or awards / Zertifikate oder Auszeichnungen

- Xxxx
- Xxxxx

29 Mr/Ms Xxx Xxx | Title: Xxxx | +358 XX XX XXX | xxx.xxx@xxx.fi | www.xxx.com

Linkosuon Leipomo Oy









Vorgestellte Produkte

- · Gebackene Roggen-Chips, drei Varianten
- Sea Salt & Black Pepper
- Sour Cream & Spring Onion
- Roasted Paprika & Cream Cheese
- Gebackene Hafer-Chips, drei Varianten
- Sour Cream & Spring Onion
- Creamy Caesar & White Pepper
- Smoked Barbecue & Mellow Chilli

Werbeslogan

• The taste of Finland since 1936

Verkaufsargumente in Kürze

- Ideale Alternative als gesünderer Snack eine interessante Abwechslung zu herkömmlichen Kartoffelchips und für gesundheitsbewusste Käufer
- Die hauchdünnen Chips werden leicht mit Rapsöl besprüht und im Ofen knusprig gebacken (weniger Fett)

Zertifikate / Auszeichungen

IFS Food Certificate



BUSINESS FINLAND PACKAGING







HOW?



How do I make my product attractive and easy to buy?

- Design
 - Package is the most effective way to influence the buying decision
- Packaging declaration in German (note the font size)
 - Fresenius Institute or other to approve the declaration
- Packaging size and variants
 - Taylor-made for the German market
- Displays
 - 1/4 chap



1750

15¹⁰ 12²²

How is my product's shelf price in relation to the competition?

- Ex-works-price
 + importer/distributor margin, including logistics (~20 %)
 - + retailer margin (~35 %)
 - + VAT (7 %)
 - -> shelf price



- Logistic costs
 - 1 pallet from Finland to Germany ca. 250,-
 - + Delivery costs in Germany
 - Central warehouse (only for products with good mobility)

HOW?

Warehousing + Door to door delivery

FOOD FROM

Finland

BUSINESS **CONSUMER PROMOTION**





How do I make the consumer to fall in love with my product?

HOW?

- Advertisement in the retailer's flyer (WKZ = Werbekostenzuschlag)
- Tastings
- Flyers
- FB marketing
- Blogger co-operation
- Etc.

FOOD FROM

Finland

BUSINESS FINLAND RESOURCES FOR EXPORTS





≻How to find a suitable resources?

- Other Finnish companies
- Expert Search database
 - lili.lehtovuori.businessfinland.fi
 - elina.iso-oja@businessfinland.fi

EXPERT SEARCH Home About	Find experts How to select an	expert		Register as	an ei
	FI	IND EXPERTS			
Target countries	Services offered	Industry facus		Location of Expert	
e.g. United States -	Select category	+ Food & Bever	rage × +	* Germany	ж.
				FinDeCØnnect	
Nova Scala				FinDeLignnect	
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- Funding for using experts
 - kari.venalainen@businessfinland.fi (start-ups)
 - pirjo.hakanpaa@businessfinland.fi (SMEs food)
 - aleksej.leppanen@businessfinland.fi (SMEs beverages)

HOW?





EXPORTING TO

GERMANY

IS NOT A 100 RUN,

BUT A MARATHON!



KIITOS – DANKE SCHÖN

Lili Lehtovuori Global Opportunity Leader – Food from Finland +43 664 25 45 289 Iili.lehtovuori@businessfinland.fi

COMPANY CASE

- PERTTU KOROLAINEN, LINKOSUO

Septembe r 2019



Coaching Day - German retail campaigns and how to get prepared 12.9.2019 Case Linkosuo, Perttu Korolainen

Retail campaigns by FFF – great way to start



- ✓ In most cases it's extremely difficult to get started in Germany
- $\checkmark\,$ Even difficult to get a contact to a buyer
- ✓ Good importers want references before taking you seriously
- $\checkmark\,$ This is a good way to get
 - ✓ Feedback
 - ✓ Experience
 - ✓ Contact
 - $\checkmark\,$ Products tested
- ✓ Be aware that most likely it will be an investment, not a campaign for a quick profit



Finns and Germans are a bit alike, aren't we?

- ✓ Usually yes, we get on with each other really well
- ✓ If Germans know what and where Finland is the attitude is usually positive
- \checkmark We both love figures and facts
 - $\checkmark\,$ Damned engineers, both of us
- ✓ Still, there is lots of differences and business in Germany is nothing like doing business in Finland
 - ✓ If you feel that Kesko and SOK are difficult and challenging, forget Germany



Be formal



- \checkmark Finns often have same personality at home and in business
- $\checkmark\,$ In Germany you'd better to be on the safe side
 - ✓ Don't think that they are same lovely, friendly people that arrive 5-15mins late as the German friends you might have
- ✓ Dress formal
- ✓ Nicht duzen! Herr Doktor Müller is more like it
- ✓ Be punctual. Not early, definitely not late
- ✓ Don't crack jokes in business meetings in Germany



Only one chance to make the first impression



- ✓ Do not waste your opportunity
- ✓ Buyers and good importers are very well aware of their importance
- ✓ We Finns often try to contact buyers and ask if this product has potential, please give your comment so we develop it a bit
- ✓ Or would you buy this if I had an importer
- ✓ Luckily Food From Finland offers opportunities for this kind of discussions as well



Be prepared



- ✓ Do your homework
- \checkmark Know why your product would suit the buyer
- ✓ No stapled blanco paperbags, prepare good quality mockups
- ✓ Have a good material preferably in German even if you wouldn't speak it
- ✓ Be ready to negotiate and calculate, Germans love to have clear answers and results



Some loose ends



- ✓ Finns are not precise and conscious of quality as we think but Germans are
- ✓ You'll know if they like your product or not
- ✓ German requirements and instructions are to be obeyed even if they sound silly – don't bother thinking too much
- ✓ Stingy, tight-fisted? Er, yes they are with all respect
- ✓ Germans are loud and self-confident, a guy mumbling to his shoes is a disaster
- ✓ German sense of humour (yes, there is such thing!) is rather harsh

✓ The waitress yelling at you might be friendly in very German way



Danke!



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