

**GERMANY
RETAIL CAMPAIGNS
COACHING DAY 2019**

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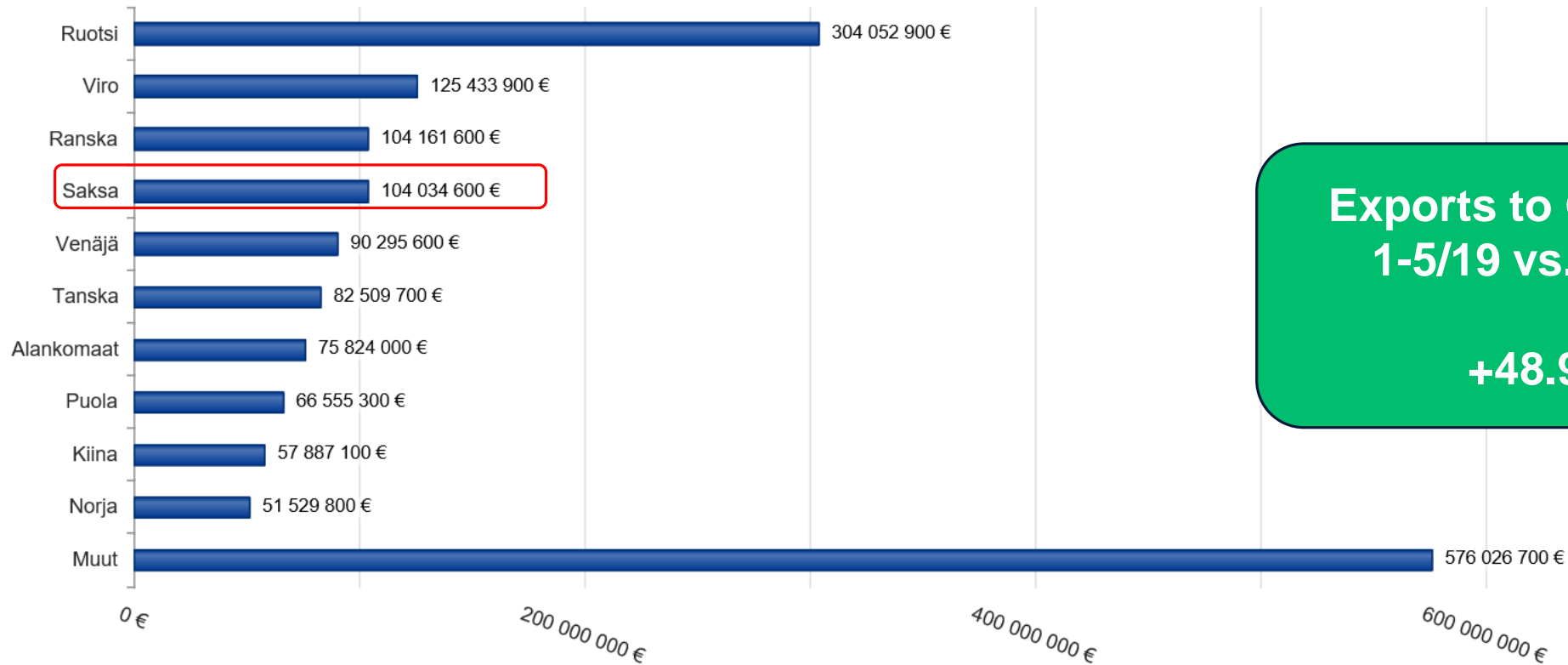
- ❖ Finnish F&B Exports to Germany
- ❖ German Consumer + Grocery Retail Channel structure - Characteristics
- ❖ FFF Retail Campaigns in Germany **WHY? WHAT?**
- ❖ Retail campaign process **HOW?**
- ❖ How to prepare for the German retail campaigns **HOW?**
- ❖ Company Case - Perttu Korolainen, Linkosuo

FINNISH F&B EXPORTS TO GERMANY

Tuonti & Vienti > Vienti > Maittain

Vienti maittain (1 638,5 milj. euroa)

- ❖ Germany is the #4 country for F&B exports
- ❖ Exports 104 mn EUR (6/18-5/19)



Exports to Germany
1-5/19 vs. 1-5/18

+48.9 %



- 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

+80 mn
consumers

= €€€€



North Germany
West Germany
Cities

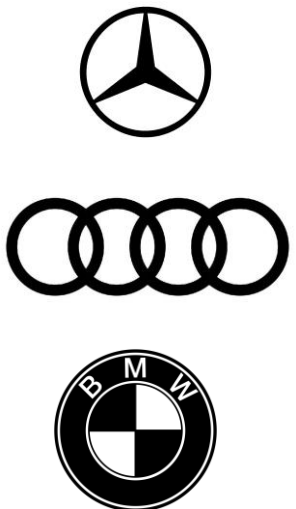


South Germany
East Germany
Country side

Healthy + Organic
Detail oriented

Quality
= competitive price

Quality
= high price



GERMAN GROCERY RETAIL CHANNEL STRUCTURE



REWE



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

Name	Market share %	# of stores	Store type
AMAZON	5.6	-	online
METRO	5.0	382	Cash & carry
LEKKERLAND	3.3	n.a.	Gas stations + kiosks
DM	3.0	1 892	Drugstore
ROSSMANN	2.4	2 100	Drugstore
GLOBUS	1.9	144	Hypermarket
BARTELS- LANGNESS FAMILA CITTI	1.9	93 3	Supermarket Hypermarket/cash & carry
TRANSGOURMET	1.5	53	Cash & carry
NORMA	1.3	1 314	Discounter
MÜLLER	1.2	551	Drugstore
DOHLE / HIT	0.6	98	Supermarket
BÜNTING	0.5	335	Supermarket
DENNREE DENNS BIOMARKT	0.5	290 269	Organic
TEGUT (MIGROS)	0.4	273	Supermarket
BOFROST	0.3	-	online
OTHER (ALNATURA, BIOCOMPANY, LPG, VITALIA, VEGANZ)	9	-	

CHARACTERISTICS OF GERMAN GROCEERY RETAIL



Importer/distributor

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



Direct sales

English, Finnish

Replies “when I have time”

Cartons

Full pallets

EU packaging regulations

GS1 Finland (Synkka)

30 days payment time

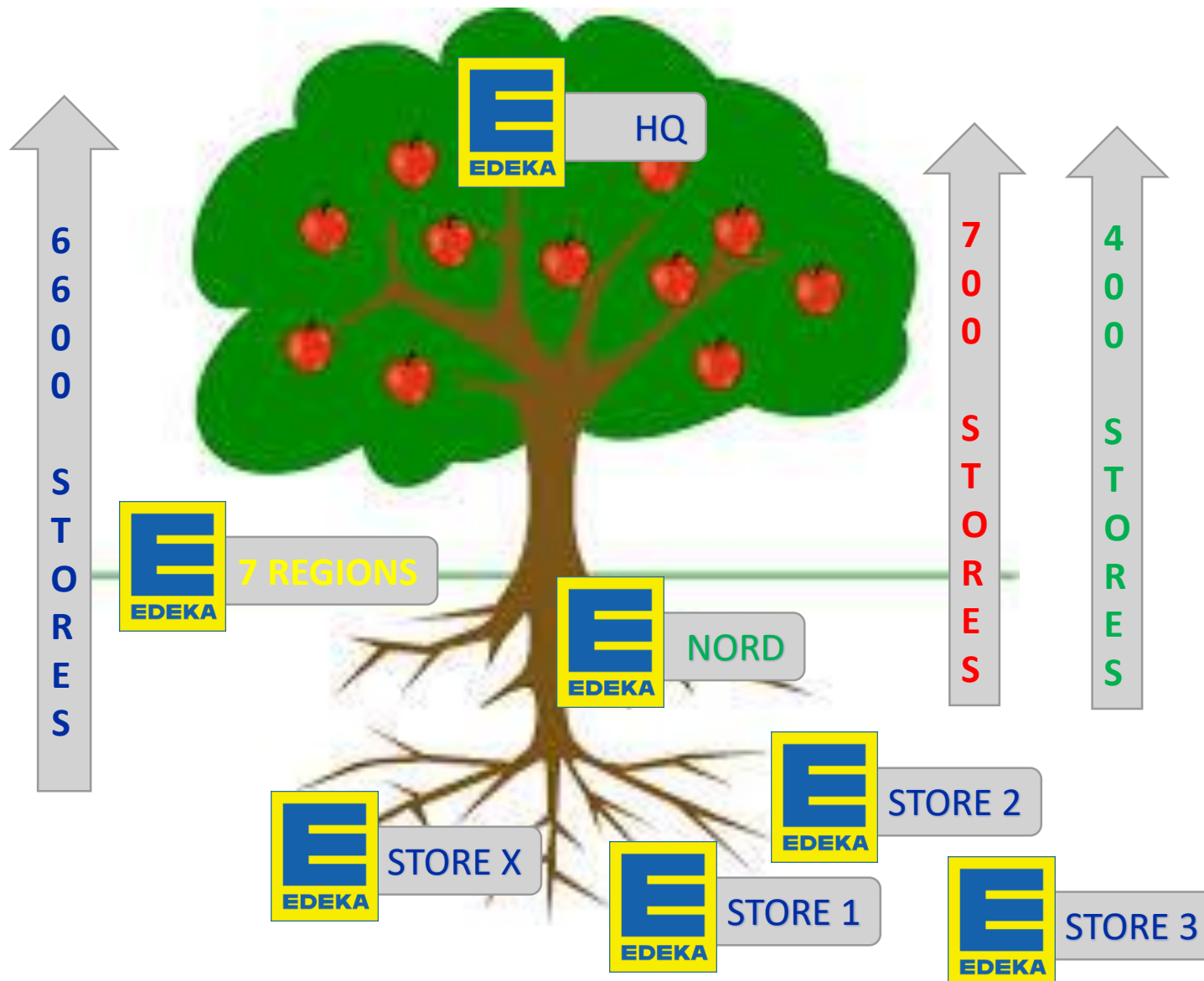


**I can sell the same
way to REWE and
EDEKA as I sell to
Kesko and S-group**

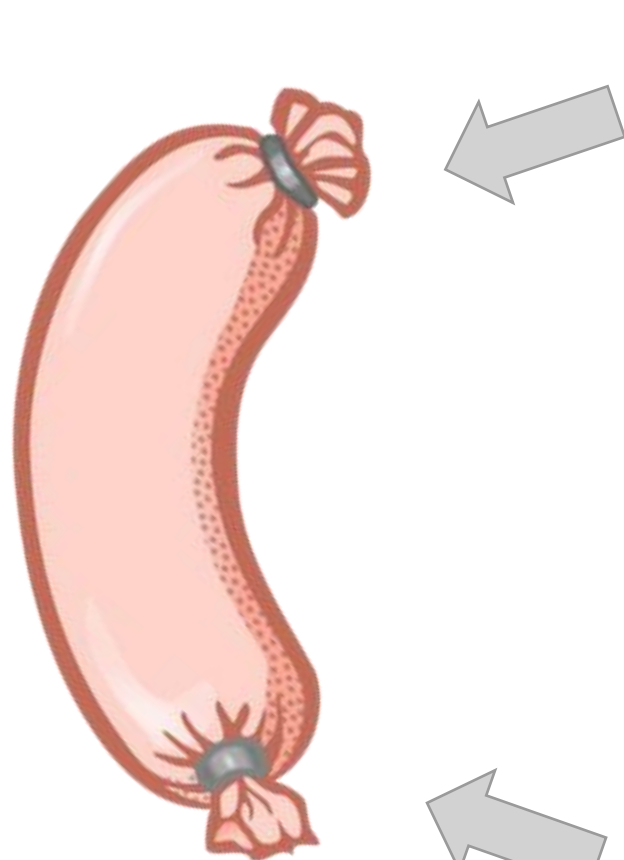
**“If you want to play with them,
you need to play with their rules”**

FSSC 22 000

BOTTOM-UP APPROACH



"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



STORES

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

Local Importer/Distributor "TRUST"

International Trade Fairs

Local trade shows

1-to-1 contacting

Other Finnish companies



Product Launch + Follow-up

Buyer contact

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

Sales Development

Needed adjustments
+ getting more stores on board

+ repeating the same..

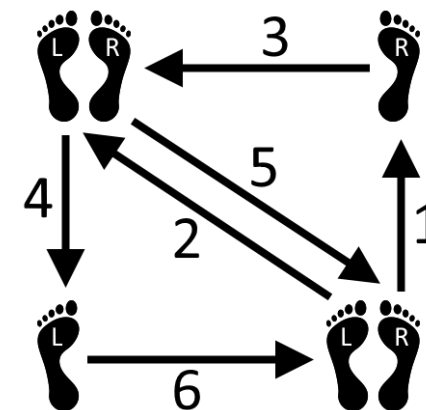
1-5 years

+ 1-2 years

+ 1-2 years

= min. 5 years

Im Prinzip...



..ganz einfach!

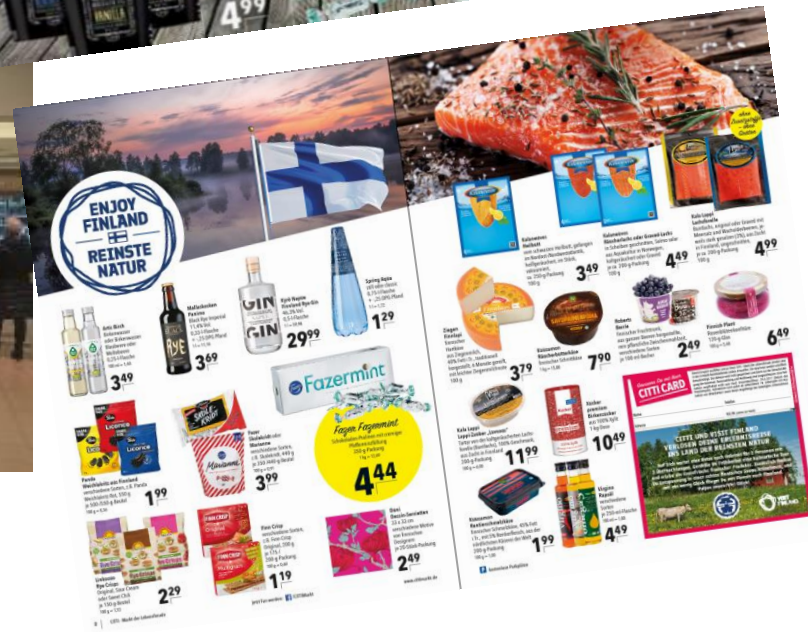
FFF RETAIL CAMPAIGNS IN GERMANY



- ❖ A quick access to test the operations with German retail channel
- ❖ 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

ENJOY FINLAND – REINSTE NATUR @CITTI 2017 & 2018 & 2019 ENJOY FINLAND – REINSTE NATUR

WHAT?



September 2019

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**PARTNERLAND
DER INTERNATIONALEN GRÜNEN WOCHEN BERLIN**

FINLAND

AUS DER WILDNIS
FINNISCHE PRODUKTE ONLINE ENTDECKEN

Finnland ist Partnerland der Internationalen Grünen Woche (IGW), die im Januar 2019 in Berlin stattfindet. Zusammen mit Lieferello laden Food from Finland und Visit Finland Sie zu den Online-Aktionswochen »Aus der Wildnis« ein. Entdecken Sie jetzt auf lieferello.de original finnische Spezialitäten wie Hafer- und Roggenprodukte, Lakritz, Spirituosen und vieles mehr!

**BUSINESS
FINLAND** **FOOD FROM
Finland** **Visit Finland** **lieferello**
...food and more!

Sortiment Feinkost & Spezialitäten Getränke Inspiration Spirituosen Sonstiges

Sie sind hier: Finnland Shop

Reinste Natur
Finnische Getränke
Finnische Süßigkeiten
Finnisches Frühstück
Polarlichter

Ihre Vorteile bei Lieferello
Große Markenvielfalt.
Außergewöhnliche Produkte.
Nur 3,95 € Versandkosten.

Echte Kundenmeinungen

TRUSTED SHOPS
Kundenbewertung
SEHR GUT
4.76/5.00
3828 Bewertungen

Zahlungsmöglichkeiten

**PARTNERLAND
DER INTERNATIONALEN GRÜNEN WOCHEN BERLIN**

FINLAND

Erfahren Sie mehr über finnische Lebensmittel!

Entdecken Sie eine Welt voller köstlicher Lebensmittel aus der reinen Natur Finnlands. Probieren Sie finnische Produkte - enjoy Finland!

Reinste Natur **Lakritz** **Schokolade** **Polarlichter**

Ansicht: Sortierung wählen... Artikel pro Seite: 12

☆☆☆☆ Nordic Jumbo Haferflocken 600g	☆☆☆☆ Teerenpell Kaski Single Malt Whisky 43% vol 0,5l	☆☆☆☆ Arctic Birch Bio Birkenwasser 250ml	☆☆☆☆ Ägräs London Dry Gin 43,7% vol 0,5l
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**AUS DER WILDNIS
IN UNSEREM SHOP**

Wir bieten Ihnen viele finnische Klassiker wie
Lakritz, Schokolade, Birkenwasser und Spirituosen.
Produkte aus der reinsten Natur Finnlands!

Wir schenken Ihnen
auf das gesamte
Finnland-Shop Sortiment* **7,5%**

*7,5% Rabatt ab einem Mindestbestellwert von 30€ auf alle Produkte in der
Kategorie »Finnland-Shop« bei Lieferello. Gilt bis einschließlich 15.03.2019.
Nur von Rabatt pro Kunde und Bestellung bei Eingabe im Warenkorb.

lieferello
food and more!
lieferello.de/Finnland-Shop

PARTNERLAND

FINLAND

lieferello
food and more!

GRÜNE WOCHEN – FINNLAND "AUS DER WILDNIS" @KADEWE & @ALSTERHAUS 21.1.-2.2.2019 WHAT?









September 2019

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EXCERPT OF THE RETAILERS



AND MANY MORE...

RETAIL CAMPAIGN PROCESS

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

Product Launch + Follow-up

Chain + Buyer contact

Product introduction

Samples, prices, packaging, marketing plan

Product data in GS1 system etc.

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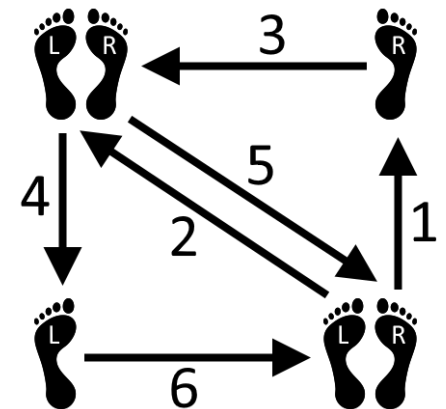
+ introduction of new products

+ 1-2 years

+ 1-2 years



Im Prinzip...



..ganz einfach!²⁵



- ❖ 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



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

- Story & Sales Arguments

- USP = unique selling proposition

- Web page in German

- Please note the German regulations: Impressum + Datenschutzerklärung

- Flyer in German

- Translator contacts from

lili.lehtovuori@businessfinland.fi

Products presented / Vorgestellte Produkte

- 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



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 / Auszeichnungen

- IFS Food Certificate



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

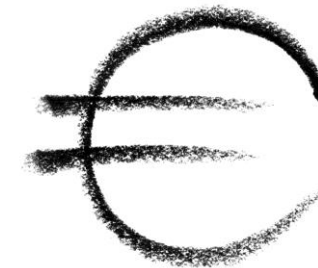
- Design
 - Package is the most effective way to influence the buying decision
- Packaging declaration in German (note the font size)
 - Fresenius Institute or other to approve the declaration
- Packaging size and variants
 - Taylor-made for the German market
- Displays
 - ¼ chap



➤ 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

1 € → 3 €



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



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

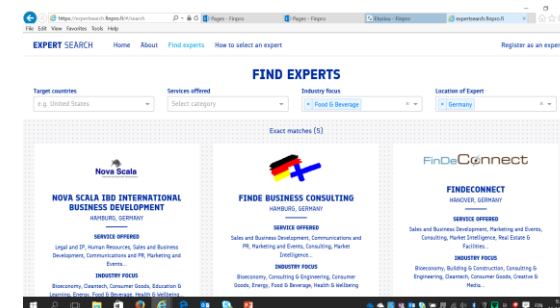
- Advertisement in the retailer's flyer (WKZ = Werbekostenzuschlag)
- Tastings
- Flyers
- FB marketing
- Blogger co-operation
- Etc.





➤ How to find a suitable resources?

- Other Finnish companies
- Expert Search database
 - lili.lehtovuori.businessfinland.fi
 - elina.iso-oja@businessfinland.fi
- Funding for using experts
 - kari.venalainen@businessfinland.fi (start-ups)
 - pirjo.hakanpaa@businessfinland.fi (SMEs – food)
 - aleksej.leppanen@businessfinland.fi (SMEs – beverages)





**EXPORTING TO
GERMANY
IS NOT A 100 RUN,
BUT A MARATHON!**



KIITOS – DANKE SCHÖN

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COMPANY CASE

- PERTTU KOROLAINEN,
LINKOSUO



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

Arne
& Elsa

- ✓ In most cases it's extremely difficult to get started in Germany
- ✓ Even difficult to get a contact to a buyer
- ✓ Good importers want references before taking you seriously
- ✓ This is a good way to get
 - ✓ Feedback
 - ✓ Experience
 - ✓ Contact
 - ✓ 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?

Arne
& Elsa

- ✓ Usually yes, we get on with each other really well
- ✓ If Germans know what and where Finland is the attitude is usually positive
- ✓ We both love figures and facts
 - ✓ 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

Arne
& Elsa

- ✓ Finns often have same personality at home and in business
- ✓ 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

Arne
& Elsa

- ✓ 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

Arne
& Elsa

- ✓ Do your homework
- ✓ 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

Arne
& Elsa

- ✓ 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!

Aarne
& Elsa

Perttu Korolainen

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