



AGRICULTURE
AND FOOD INDUSTRY

OPPORTUNITIES FOR INTERNATIONALIZATION OF BUSINESS

#GROWINMOLDOVA

SUMAR

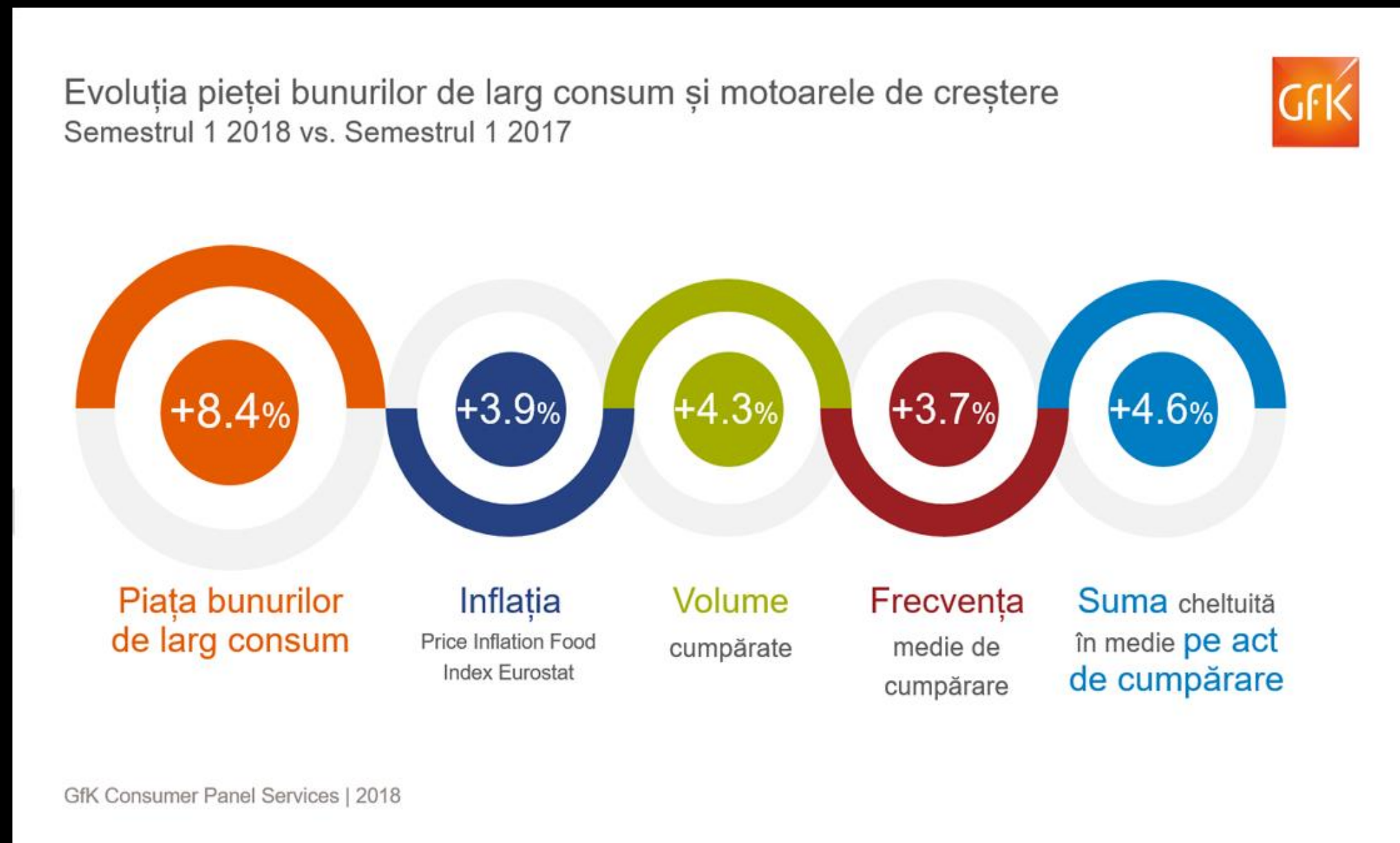


- I. Romania: The Evolution of the consumption of food and of the purchasing power;
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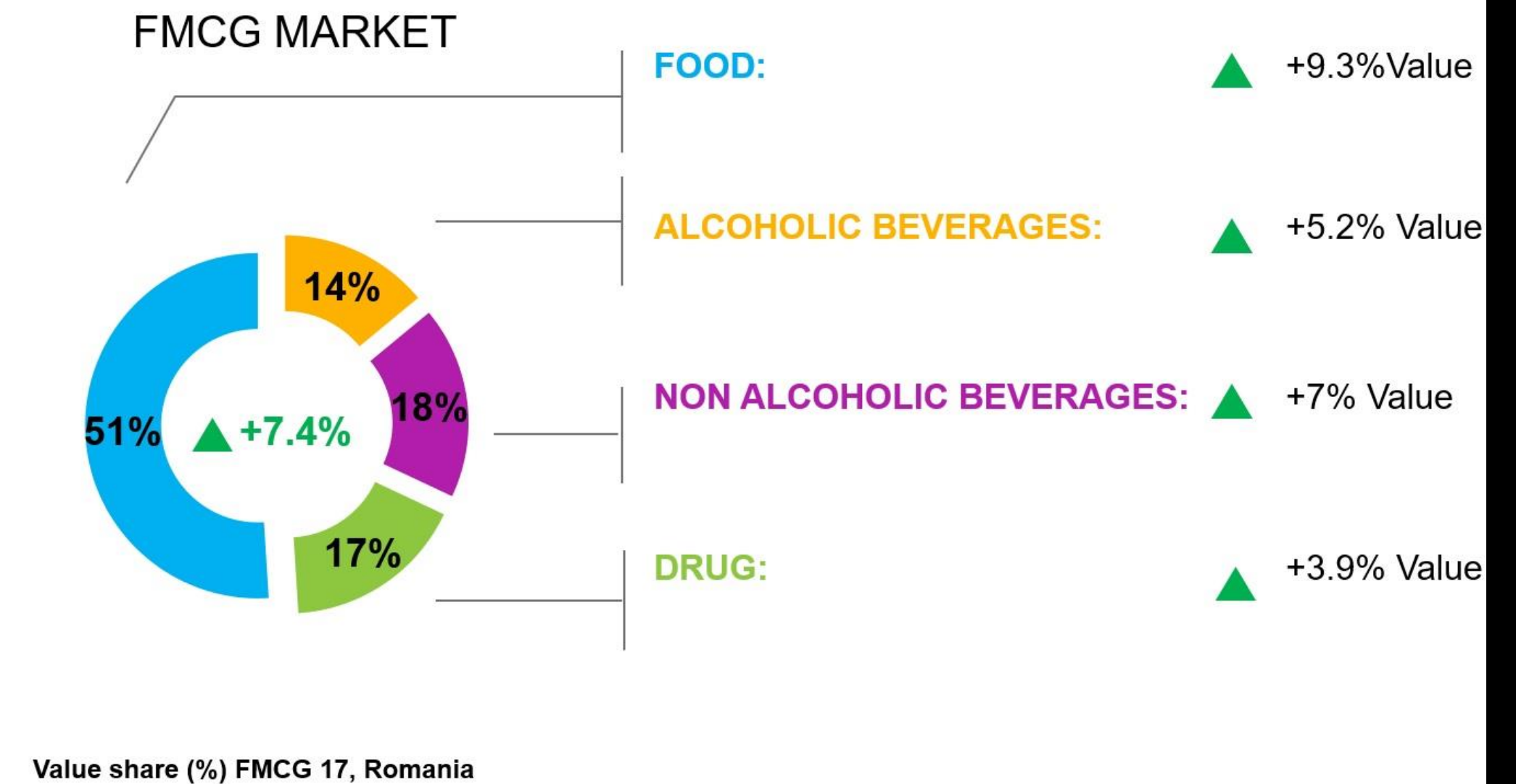
I. Romania: The Evolution of the consumption of food and of the purchasing power



- 33,3 Billion Euro, The Romanian FMCG Retail Market in 2018 ;
- 4,7% growth prognosis of the market until 2019;
- 8,4%, growth of the FMCG market in the first semester of 2018. Growth drivers: inflation rate, increased purchasing volumes, buying frequency and the amount spent per store visit (see graphic below)



TOATE INDUSTRIILE FMCG CRESC

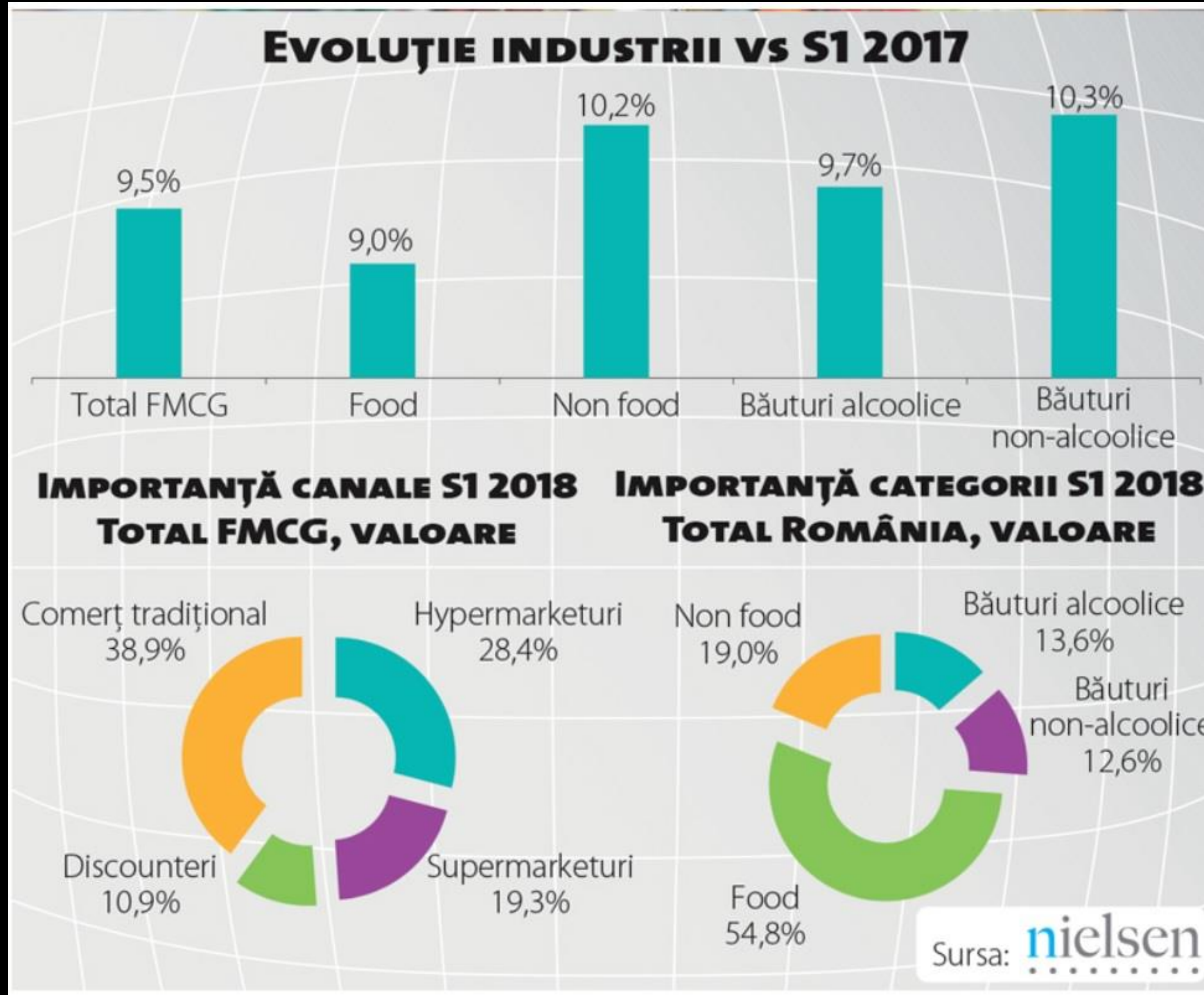


3,500 de lei

The average amount spent in the last 6 months, by a Romanian family, for FMCG products. 270 lei more than in the first six months of 2017.

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II. The sales channels evolution: modern retail, traditional retail, HoReCa



61.1%

Modern Trade market share in Romania

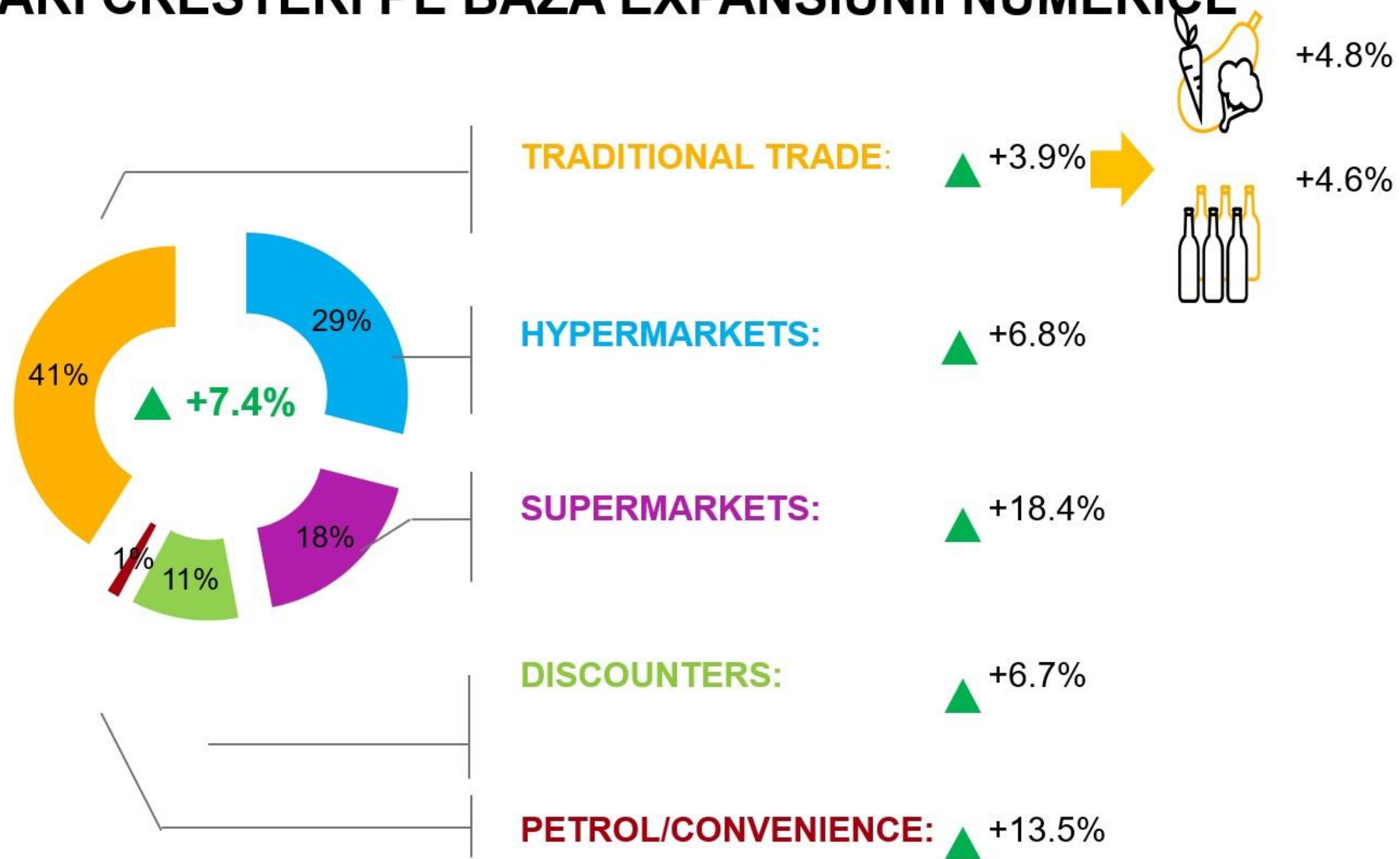
Proximity channel– the main driver of growth of Modern Trade

5 Billion Lei

HoReCa market value in Bucharest

II. The sales channels evolution: modern retail, traditional retail, HoReCa;

FORMATUL SUPERMARKET INREGISTREAZA CELE MAI MARI CRESTERI PE BAZA EXPANSIUNII NUMERICE



Value share (%) FMCG 17, TTL Romania

150

Proximity stores opened in the 1st semester of 2018

18%

Supermarket growth, the most dynamic segment of the Retail Market

Romania is in line with the global trends: consumers oriented to proximity and discount stores.

III. Modern Trade – How to approach the modern retail chains in Romania?



- **What are the points of interest at the first meeting between a buyer and a producer**

- **“Each case is a different case”** – Each retailer is unique. Look for the differentiation elements and strengths of each retail company when you prepare for the first meeting.
- **Portfolio, short term and medium term strategy** - Present your product portfolio in a clear and concise manner and outline your own strategy. Explain to buyers what are your target customers, how are your products positioned on the market, who are your competitors, what pricing and promotion policy has worked so far.
- **Analyze the competition** / potential competitors already on the shelves of that retailer.
- **Private label opportunity** Communicate your availability to produce private labels - there is an opportunity to collaborate with large networks and to produce private label under their brand.



III. Modern Trade – How to approach the modern retail chains in Romania?

- **What information is essential to win a buyer in the bargaining?**
 - Focus on the common goals: Harmonize your own goals with those of the retailer, that is, "Put yourself in their skin";
 - Provide information that highlights the potential for selling your products: market studies and any data related to the know-how you have on your products and the category;
 - Communicate to the buyers that you are ready to support them in implementing promotional programs to help increase the attractiveness of your products on the shelves of retailers;
 - The buyer firmly endorses suppliers that lead to a collaboration based on increased performance and efficiency;
 - Provide information on the consumer trends you see in the market.



III. Modern Trade – How to approach the modern retail chains in Romania?

What are the most common mistakes made by producers is negotiating the relationship with big retailers

- Focusing on achieving your own goals through a “selling-buying” approach.
- Incorrect understanding of customer expectations` of each retailer.
- Don`t insist to keep on the shelves your products that have shown poor performance;
- Don`t ask for flexibility and tolerance on the part of the buyer. Move your focus on investing on supporting products at the shelf, so they meet the demands of retailer's customers.
- Certainly, the relationship also contains a subjective side, but in commercial negotiation, decisions are "fact-based". A long-term relationship is characterized, in particular, by professionalism and objectivity.



IV. Traditional Trade and HoReCa: partnership with specialized distributors, the solution for accessing the two sales channels



Romanian market

- 38,000 independent stores in Romania (traditional trade chain)
- 3,400 bars, cafés and restaurants in Bucharest
- over 10,000 at national level

How can you work with small HoReCa traders?

Partnership with a Distributor, the solution chosen by the largest exporters of Europe on the Romanian market.

According to an analysis made by Modern Buyer Magazine, there are about 200 specialized distribution companies on the Romanian market.

The top 150 resellers of FMCG products in Retail and HoReCa achieved in 2017 a cumulative turnover of approximately € 3,5 billion and a profit of € 76 million.

Pozitie	Companie	CA 2017 (mil. Lei)	Evolutie 2017-vs-2016	Evolutie in top
1	Aquila	1055.1	16.10%	-
2	Interbrands	856.0	9.50%	-
3	Macromex	722.6	1.5%	-
4	Luzan Logistic	665.2	5.80%	-
5	Punctual Comimpex	514.1	5%	-
6	Marathon Distribution	410.2	-3.6%	-
7	Amigo & Intercost	381.5	12.6%	↑1
8	M Tabac	363.3	-1.3%	↓1
9	D.R.I.M Daniel Distribuție FMCG	351.6	14.60%	↑1
10	Simba Invest	350.4	4.2%	↓1
11	Licurici Impex	307.9	10.8%	-
12	Nordic Food	241.1	1.41%	-
13	Elgeka - Ferfelis	234.4	6.93%	-
14	Nitela	208.1	3.6%	-
15	Agrirom	200.0	10.6%	↑4
16	BDG	195.8	1.9%	↓1
17	Bere Băuturi București	192.5	4%	-
18	ETA Distribuție	182.4	3.6%	↑1
19	Whiteland Sales & Marketing	179.7	3.2%	↑1
20	Farel Impex	178.4	7.99%	↑3

IV. Traditional Trade and HoReCa: Partnership with specialized distributors, the solution for accessing the two sales channels



Advantages of collaborating with distribution companies

- Good knowledge of the markets and customers they serve;
- Own fleets and their own agents
- Transfer of know-how to producers (information to help you better understand the markets)
- Recommendations on targeting market investments

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V. Study case – Gitana Winery



HoReCa, the first market channel approached in Romania. The company chose to make their own delivery to this channel.

In the next year, the company has entered into partnerships with distributors specialized in the wine segment to expand its presence nationwide.

Gitana Winery succeeded in signing agreements with several retail chains in Romania: Selgros, Cora, Auchan, Mega Image.

Today, sales on the Romanian market account for 50% of the total turnover of the company



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A large, abstract graphic on the left side of the slide. It consists of several thick, colorful lines in shades of green, yellow, orange, and blue. These lines branch out and connect to various icons: a Wi-Fi signal, a game controller, a trophy, a speech bubble, a hashtag, and a group of people. The background is a dark blue gradient.

THANK YOU

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