TRADE FAIRS

Trade fairs for small businesses in the natural ingredients sector A guide to preparation and participation





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Contents

Introduction	3
Preparation	4
Sales and marketing strategy	5
Your product offer	6
Product documentation	7
Setting objectives	8

Reasons to buy your product	9
Product and company promotion	10
Matchmaking	12
How to engage with your target buyer	13
Botanica case study	14

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The ABioSA mandate is to support SMEs and selected value chain actors to access global markets.

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A glossary of biotrade terms can be found at www.abs-biotrade.info/resources

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Introduction

This guide provides a step-by-step approach to help small businesses meet potential customers and find market opportunities at trade fairs. It can be used by companies or business support organisations (BSOs).

The guide includes preparation by a small or medium-sized company for a trade fair in the natural ingredients sector, using the European market as a benchmark. It assumes that:

- The business is responsible for its own stand but not a wider pavilion
- The SME is already approved for participation (the guide does not cover the application process or the trade fair selection)
- The SME's products are ready for export and compliant with end-market regulations





Trade fairs are an opportunity for biotrade SMMEs to promote their business and their products to international buyers

Preparation

Finding the right trade fair

Research the trade fair you are participating in. This will help you to select the right products, set objectives, determine how to promote your product and company, and how to find the right buyer. Your research should include:

- General information such as how long the fair has been running, and how important it is to your sector. See the <u>history of In-Cosmetics</u> as an example.
- Size of the fair including exhibition space, and number of exhibitors and visitors. See the trade fair profile of Natural Products Expo West for an example.
- Product range: Determine what type of products are offered by checking the trade fair's product list, whether these cover final products or ingredients, specific product or ingredient categories, or market segments. See <u>Vitafoods</u> <u>Europe</u> for an example.
- **Target audience**: Check whether the fair focuses on business to business, business to consumer, brands etc., and which markets it covers. This can be checked in the exhibitors' list and the previous year's report. See the **exhibitor list** of In-Cosmetics Global for an example.
- Trade fair programme: Check which conferences, seminars and other events or networking opportunities are available, such as the <u>Biofach</u> <u>Conference</u> programme.

Targeting the right market

It is important to consider what market you will reach at the trade fair, and to understand things such as market segments, market trends and competitors from other producing countries.

This will enable you to have more targeted and realistic objectives. It will also help you build your reputation with potential customers. They will expect you to know the market you're operating in.

Existing market studies covering natural ingredients, and aimed at SMEs in producing countries, are a good starting point to help you understand international markets. Some of the main sources of information are:

- The Centre for the Promotion of Imports from Developing Countries (CBI), which offers market information on segments such as natural ingredients for cosmetic and health products, as well as several food ingredient categories such as oilseeds and herbs. CBI also produces tailored market information products such as those specifically addressing Southern African vegetable oils for cosmetics.
- The German Import Promotion Desk (IPD), which offers <u>market information</u> on specific natural ingredient categories, also targeting SMEs in producing countries. Some of the categories covered are essential oils and vegetable oils, and natural ingredients for cosmetics and pharmaceutical products.

Another way to find out more about a target market is to explore trade press and other publications in specific sectors such as food, cosmetics and health. Here are some examples:

Organic ingredients

- Organic Europe
- IFOAM
- Organic Market Info
- Organic and Wellness News

Food and beverages

- FoodDrink Europe
- Food Navigator
- Food Ingredients First

Cosmetics

- In-Cosmetics News Europe
- <u>Cosmetics Europe</u>
- <u>Cosmetics Design</u>

Health

- Nutraceuticals Now
- <u>Nutra Ingredients</u>
- <u>Vitafoods Insights</u>

Sales and marketing strategy

Productive participation at a trade fair requires a marketing and sales strategy. This will enable you to use your time and resources efficiently during the event, and to target markets and buyers more effectively. A sales strategy is not specific to trade fairs, but it should guide your participation in such events.

A sales strategy will consist of elements such as:

- Product offer (<u>see section titled 'Your product</u> <u>offer</u>'): Details of your current ingredient range, and products to be presented
- Target market: Specification of the target region or country will enable you to define the most promising and suitable segment for your product
- Distribution channels: the channels through which your ingredients will be distributed; e.g. directly to formulators and manufacturers, or through importers
- Pricing: Details of your pricing policy, including price flexibility mechanisms to promote sales (e.g. discounts, quantity offers, contractual tenders)

- Promotion (<u>see section titled 'Product and</u> <u>company promotion</u>'): Description of the company's promotional tools such as website, social media and brochures, as well as the main promotional messages
- Sustainability: Details of your company's policy on social responsibility and accountability, including issues such as occupational health and safety, human rights, child labour, and the environment, conservation and biodiversity protection
- Unique Selling Point (USP) or Unique Buying Reason (UBR) (see section titled 'Reasons to buy your product'): Specification of factors that make your ingredient(s) more interesting than your competitors'

Following your participation at the trade fair, it is recommended that you revise your sales strategy based on the findings and results from the event.



Preparing for a trade fair includes matching your product to the right segment and the right buyers *Picture: ABioSA/Proof Africa/Jonathon Rees*



Your product offer

Having researched the trade fair you will participate in, as well as the potential target market, you need to define and select the product offer which is most suitable to present to buyers. This should be in line with your sales strategy.

Let's use the example of a company offering a range of Baobab (*Adansonia digitata*) products, including Baobab dried fruit pulp and Baobab seed oil. The profile of a trade fair, and the sector it covers, will play an important role in defining the offer this company will present.

For example, trade fairs that are specialised in the food and health food sectors such as **SIAL**, **Anuga** and **Vitafoods** will be most relevant for Baobab dried fruit pulp, because this ingredient is authorised for use on the European food sector as a **Novel Food**.

Baobab oil, on the other hand, can find most opportunities in a trade fair like <u>In-Cosmetics</u>, which is specialised in the cosmetics sector and cosmetics ingredients. In another example, the trade fair <u>Biofach</u>, which covers a range of organic products including food and natural cosmetics, can be relevant for a wider range of organic ingredients. Other questions to consider when selecting what to present at a trade fair:

- What does the market need?
- Are there existing buyers for my product?
- Does my product fulfil market demand?
- Is the product a good match for the market segment covered by the trade fair?
- Is the product ready for the market? If not, what product development is required to comply with market access requirements in that segment?
- How much competition is there for my product?
- Can you compete in terms of volume and price?
- How much do I need to push the product? Do I have the marketing budget?

In presenting your natural ingredient to potential buyers, make sure you can answer the following questions:

- What is the (traditional) use of your ingredient?
- What is the composition of your ingredient?
- What are the properties and functionalities of your ingredient?
- What is the quality of your ingredient?
- What form is your product in: e.g. raw material, vegetable oil, essential oil, extract, etc.?

Make sure that you support your product with relevant efficacy and safety data to prove these properties, either from your own research or by referring to publicly available data.

Product documentation

What information will potential buyers ask for?

Once you have defined your products for the trade fair, you need to compile a product information folder. This will help you answer questions that prospective buyers may have. Make sure that all information about your products is available in English, or the language of the fair. Be aware that buyers may also ask questions about products you are *not* presenting.

What you need to prepare:

- **Brief description about your company**, including the year of foundation, location, facilities, number of employees, your achievements
- What is the Unique Buying Reason of each product? This could be related to nutritional content, year-round availability, origin, ways of preparation, unique flavour/texture, packaging, benefits to communities, conservation and biodiversity protection, etc.
- Current volume availability (be realistic and accurate): Projections such as potential production capacity increase, availability of ingredients, etc.

- **Technical Data Sheet/Product Specification Sheet**, including content, nutritional value, chemical/microbiological analysis, certificates, presentation and packaging options, handling instructions, expiry date etc.
- Up-to-date price list: EXW factory, FOB at origin port, CIF at destination port

Tips and further resources:

- CBI <u>Workbook</u> for preparing a technical dossier for cosmetic ingredients
- CBI <u>Workbook</u> for preparing Technical Data Sheets, Safety Data Sheets and sending samples for food ingredients
- Examples of technical documentation for different products offered by the <u>Soap Kitchen</u> in the UK:
 - Essential oils
 - Botanicals
 - Vegetable oils
 - Marula oil with Certificate of Analysis and Safety Data Sheet

Example of a **<u>supplier questionnaire</u>** for cosmetic ingredients

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Companies like the Soap Kitchen in the UK have extensive product information and technical details on their websites.

Setting objectives

What do you want to achieve at the trade fair?

Before you go to a trade fair you need to set realistic objectives. Exhibiting is a time-consuming and expensive activity, so setting objectives will help to determine expectations and whether the event was worth the investment. In addition to finding buyers for your product, there are many objectives for exhibiting at a trade fair. These include:

- Determining reception to a product
- Collecting market information (including competitors, seminars, events)
- Understanding buyer needs and expectations
- Determining feasibility of your company and product in a particular market
- Identifying and meeting with service providers (for example, regarding testing and certification), investors or raw materials suppliers
- Developing partnerships with other exporters

Example: Exhibiting at In-Cosmetics

Company X was exhibiting at In-Cosmetics for the first time. Before going to the fair, the company set and kept track of several objectives. It researched the trade fair and was aware that as a first-time exhibitor it may be difficult to get orders. Therefore, the company's main objectives were to build its network and market knowledge.

Objective	Goal	Measurement	
Build network and promote	Collect 20 contacts per day	Day 1:	
company and products		Day 2:	
among trade fair visitors		Day 3:	
Identify business leads for	Meetings with two	Manufacturer meetings:	
future sales	manufacturers and two traders	Trader meetings:	
	Agree with two contacts to send product specifications	Specifications sent:	
Build market knowledge	Interview three buyers and/ or marketing managers to answer market research questions	Interviews: Lessons learned:	
	Identify and join two relevant workshops or seminars	Workshops/seminars joined: Lessons learned:	

Reasons to buy your product

What makes your product more interesting than those of your competitors?

You will be one of many companies present and will need to stand out to visitors. Your first starting point is to determine your *Unique Selling Point (USP)* or *Unique Buying Reason (UBR)*.

From your market research and trade fair investigation, you will have learned what is in demand on the market and what your competitors are offering. This will help you to determine how you can stand out from your competition. When you are identifying your USP or UBR, answer this question: *What makes your product more interesting than those of your competitors?*

In answering this question, keep three things in mind:

- What your company does well
- What the consumer wants
- What your competitor does well

You need to identify what your company does well, what the consumer wants, and what your competitor does not offer. This is your Unique Selling Point. If your competitor meets certain consumer needs better than you, stay away from it. If you and your competitors are competing in areas that consumers do not care about, you are wasting your time. Be aware that if both you and your competitor can meet a consumer need equally well, competition will be fierce. In such cases, pricing will play an important role in the purchasing decision.

Examples of companies' USP

- **Traditional Medicinals (USA)**: The USP of this company is that it uses medicinal grades of its raw materials to ensure the effectiveness of their products:
 - "Not only do our herbs need to be organic and ethically sourced, but importantly they are high quality and often medicinal grade to deliver therapeutic effects."
 - This is also reflected in the name of the company and in the information it provides on its **website**.
- **3QP (Peru)**: This company produces natural ingredients for cosmetics that are based on Peruvian biodiversity:
 - "The Company's objective was to utilise the botanical diversity of the immense Peruvian ecosystem."
 - At the same time, the company focuses on delivering quality products that meet market demand. This is reflected on its <u>website</u>, where the company shows both how products are traditionally used and provides all relevant product information for the cosmetic market.
- Beraca (Brazil): Beraca combines sustainability and innovation in its USP. It shows how it meets market trends and consumer needs for natural active ingredients for unique cosmetic products, and natural alternatives for challenging ingredients and clean label products. The company focuses on sustainable extraction, traceability, and positive social and environmental impacts.
- "Sustainable and natural ingredients with high performance"

Product and company promotion

Building an image and becoming visible

At a trade fair, you are promoting both your products and your company. You have many promotion opportunities, both online and at the fair itself.

Online promotion covers your website, the trade fair's website, and social media. Make sure that these are up to date and use them to let prospective clients know you will be exhibiting, and include your stand number. You can also send out a promotional mailer to your contacts to highlight your participation at a trade fair.

Your **website** is your 24/7 business card, and you need to treat it as such. A badly designed or unmanaged website can do more harm than good. Make sure that your website is up to date before you travel to the trade fair, and if possible include a 'News' page showing presence at trade fairs, new products, awards, etc. Your website should be accessible and readable via mobile phones, informative, appealing, and functional. Integrate videos and dynamic tools if you have them and link them to your social media.

In addition to your own website, complete your online entry on the *trade fair website*. Include:

- Company information
- Personalised contact details (a person instead of a generic email address)
- Attractive pictures
- Products: No local names, but include botanical names, mention processing form (e.g. oil, extract, powder) you offer at the trade fair. Potential buyers often find you through products you include here.

Social media is increasingly important to reach new clients. Before you join a social media platform, whether this is B2B or B2C, ask yourself what type of visibility you expect, and examine whether you have the time and resources to manage potential clients who visit your profile equally. Think of the message you want to communicate here. Use your social media to promote your participation in a trade fair.

If your website is your online business card, your **stand is your business card at the trade fair**. This is the first thing trade fair visitors see when they arrive and it needs to represent you well. This covers both the way it is decorated and how you manage it during the trade fair.

Although the stand organiser is responsible for the design of your stand, discuss with them what is expected from you. For example, providing highquality pictures of your products which can be used in a poster or flyer. Your stand organisers may need you to provide your own poster and flyers, or you may have the opportunity to bring an additional poster.

Think about **stand decorations** you can bring. Discuss with the stand organisers how much space you have to fill with decorations. Use these to further highlight your image and USP.

Connect displays to your marketing story – for example, use props to set the tone, use natural materials for natural products, combine those with traditional materials from the region your products originate from. You can bring retail containers and materials used in production, raw materials, or product examples, as well as flyers or handouts. You can also bring pictures and a tablet/laptop to show company videos, and you can do demonstrations.

Also think of what *dress code* best represents your company and what codes of conduct you want your staff to follow.

Examples:

- **<u>Biofach trade fair</u>** pictures with examples on stand decoration and design.
- <u>Himalayan BioTrade</u> (*Nepal*). This company sells essential oils from the Himalayas in Nepal. The website has great pictures illustrating the origin of its products, while also providing product information that buyers are looking for.
- <u>Mountain Rose Herbs</u> (USA). This company sells many natural ingredients with elaborate product information, as well as information on using natural products in their section on herbal education.
- <u>Henry Lamotte</u> (*Germany*). This German buyer of vegetable oils has an extensive <u>brochure</u> on African oils that it sources, with information on composition, product and production pictures, the origin of the natural products, possible applications and quotes.



Henry Lamotte brochure on African oils with information on composition, product and production pictures, the origin of the natural products, possible applications and quotes

Matchmaking

Engaging with potential customers

Matchmaking is a continuous process and is not confined to trade fairs. However, trade fairs will give you exposure to a large pool of buyers, so you will benefit from preparing in advance.

Matchmaking should not be accidental, but *strategic and planned*. Here are some tips:

- Use your sales and marketing strategy to plan meetings with potential customers
- Filter out companies that are not relevant
- Identify the right person and introduce your company and your offer in advance – schedule meetings at the trade show
- Match your offer to the profile and interests of your potential customers
- Make appointments at your stand, and visit other stands
- Plan your follow up with people and companies of interest
- Gather information and leads to start creating or expanding your customer relationship management system for future trade fairs and other marketing activities

What resources can you use to locate your ideal customer?

- Check the exhibitors' list of the trade fair you're visiting, and other trade fairs relevant for your product. The list of trade fairs covering natural ingredients and related sectors is very extensive, and includes:
 - Biofach
 - <u>Natural and Organic Products Europe</u>
 - In-Cosmetics
 - Food Ingredients/Health Ingredients Europe
 - <u>Anuga</u>
 - <u>SIAL</u>
 - Vitafoods
 - Nordic Organic Food Fair

- Consult the member listings of sector associations at destination markets, specialised in different end-user industries and market segments, including:
 - International Fragrance Association
 - International Organization of the Flavour Industry
 - Cosmetics Europe
 - European Federation for Cosmetic Ingredients (EFfCI)
 - European Federation of Essential Oils (EFEO)
 - <u>Natural Food Colours Association (NATCOL)</u>
 - European Flavour Association (EFFA)
 - EU Vegetable Oil and Protein Meal Industry Association (Fediol)
 - Food Supplements Europe
- Create an account on sector-specific portals, Internet databases, and contact buyers directly such as:
 - Bio Linked

12

- Organic-Bio
- Organic Market Info

What do you do after compiling a list of potential customers?

- Check the websites of the companies and other platforms like LinkedIn to get a better idea of their profile and suitability as your potential customer:
 - What do they do (e.g. trade, manufacture, distribute, own a brand)?
 - What is the size of the company?
 - What is the vision and mission of the company? Do they focus on sustainable and ethical value chains?
 - What are their requirements (e.g. organic, BRC, IFS or other certifications)?
 - What is their market segment (e.g. organic, ethical trade, ethnic products)?
 - Do they already use or market the ingredient you are offering?
 - In what form do they use this ingredient (e.g. raw material, extracts)?
 - Where do they currently source ingredients from? How does your business compare?
 - Identify a contact person, if possible.

How to engage with your target buyer

What to take with you

Materials to bring to the trade fair

Promotional materials

Poster or banner (if not provided for by your stand organiser).

Company flyers: these should be small and easy to hand out with good quality pictures, product and contact information.

Lots of **business cards**: It is better to have too many than too few business cards, they are small and easy to carry with you.

At least 100 copies of Business Contact Sheets to record all your meetings.

At least 50 **samples** to give away. The number of samples, as well as the sample size, depends on your type of product and the trade fair you are participating in; bring additional samples for your key products.

Make sure that your samples are representative of the quality you can always deliver. Provide samples in small clean containers with labels containing all necessary information including company contacts, batch number, production date, product name.

Single-use spoons/cups for tasting, if relevant: Check with the trade fair organisers which materials are allowed.

Photos of production and/or collection areas.

Decoration for your display. Discuss with the stand organisers how much space you need to fill with decorations.

Agenda, with appointments made with buyers in advance.

Outbound list with exhibitors at the fair you want to meet with.

Stationary and other practical items: A notebook, stapler, several pens, calculator, USB-drive.

Company and technical documentation

Product documents: Product Specification Sheets, Technical Data Sheets, Safety Data Sheets, if available and relevant.

Certificate of analysis with results of laboratory tests. These should match the samples you're handing out.

13

Certificates for organic production, Fairtrade, quality management (such as ISO 22000) and health certificate from respective authority.

Product list with product origin, harvest periods and quantities available.

Price list (for your own reference) with discount possibilities (depending on volumes/terms of delivery).

Botanica case study: Biotrade veteran Will Coetsee shares his trade fair experience

Trade fairs are expensive and hard work, but worth the energy and the commitment. This has been proven by Limpopo-based biotrade company Botanica Natural Products, which cultivates and supplies indigenous plant extracts and oils.

14

Botanica co-founder and MD Will Coetsee laughs at the memory of his early trade fairs. His first experience was in 2010 at In-Cosmetics. 'I had never been to a trade fair, I didn't know anybody, I didn't know what the market needed, and I didn't know how to sell my products. And I didn't know how much I didn't know.' Fortunately he had a shareholder with experience to guide him.

'A trade fair is an incredible opportunity, but you have to make it work for you. You have to recognise that every visitor is potentially your biggest customer. Even if you are tired and hungry and your feet hurt, and you're hoarse from talking to hundreds of people, when the next person arrives you have to smile and be sharp.'

'Remember that people are there to buy, and you have to be ready to sell. It's about energy management – at a four-day show like BioFach, you have to be ready for that big deal, even if it's 5pm on the fourth day.'

Will's biggest win came at In-Cosmetics, where he met a Swiss company that years later is still one of his biggest customers for *Bulbine frutescens* leaf juice, today generating more than a million rands of turnover a year.



'When they arrived on the stand, we didn't know who they were. They were very well prepared and were checking us out, trying to determine whether we would be a reliable supplier and if our story was credible. As time passed, we improved our preparation for trade fairs, and knew what our potential customers would be looking for.'

A trade fair is an incredible opportunity, but you have to make it work for you. You have to recognise that every visitor is potentially your biggest customer.

'We had done our research and knew that European cosmetics manufacturers would be interested in certified organic quality *Bulbine frutescens*, packaged in varying drum sizes, compliant with EU standards. We made sure we could deliver that, and that was the basis of our sales pitch. It's all about matching your offer with the customer's needs.'

Will stresses the importance of following up after the fair. 'The follow up is almost the most important part. You have to quickly address their questions and concerns, and do all the administration that is part of a sale.'

He warns against making promises that can't be kept. 'At one of our trade fairs there was a customer looking for Moringa. The sales guy had identified us, and his boss came to see what we had. He snorted a spoon of Moringa powder and must have liked the taste because he immediately ordered five tonnes. At that point we didn't even have 500kg, but I didn't want to turn away a sale, so I made a commitment I couldn't keep. They ended up cancelling the order and taking Moringa off their product list, so we risked giving the whole African industry a bad name.' 'When dealing with international buyers, rather tell them if you can't deliver everything right now. They will be patient, and if you are honest with them they will grow with you.'

Will recommends that new companies find a mentor to help them along their path to growth. Botanica and many other SA biotrade SMEs have benefitted a lot from the support of programmes like the Swiss Import Promotion Programme (SIPPO) under its former mandate. Under its new mandate, SIPPO collaborates directly with Business Support Organisations which provide export promotion services to SMEs.

Botanica is one of the small businesses supported by the ABioSA project.

