

8 tips for doing business with European buyers in the natural food additives sector

As an exporter of natural food additives, you have to take certain steps to ensure that your export activities are successful. Creating and maintaining business relationships with European buyers is a complex process and the tips in this document should help you increase your chances.

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1. Get to know the business culture

You should be aware that the business culture in the European food additives sector is different to the business culture in your country of origin. Europe is a heterogeneous market with different business cultures. However, it is essential that you familiarise yourself with some of the common aspects of the European business culture.

By failing to do so, you could hamper your business activities in Europe. It is important that you educate yourself on the culture, as a new supplier. You should also make sure that you conduct yourself in a professional manner. You also need to familiarise yourself with some basic technical terms.

Examples of technical terms include Certificate of Analysis (COA); Technical Data Sheet (TDS); Safety Data Sheet (SDS); physical, chemical and biological elements concerning contamination; and Certification of Inspection (COI).

English is the most important business language in Europe and is commonly used by businesses in the food industry. You should use formal English when speaking and writing to European buyers at all times. Do not use slang, because it makes you look unprofessional. When it comes to [business etiquette](#), Western European countries tend to favour formal arrangements where documentation and formalities are preferred over personal relationships in business. Punctuality tends to be valued in Western European countries.

It is common to approach buyers online. Make sure that your marketing materials and technical documentation are up to date. Setting up conference calls is also a good way to discuss more complex issues. Documents can be sent electronically. Buyers can request samples and, if they are interested, may request a company audit. Meeting buyers in person is always preferred. Trade shows are the best place to meet buyers.

When negotiating with European buyers, make sure you prepare yourself in advance. You can increase your chances of success by doing research on specific topics, such as payment terms, minimum volume requirements, legislation that you have to follow, transport issues and export insurance. You cannot always anticipate the direction your negotiation will go, but you have to show your potential clients that you have done your homework. Make sure your body language is open and confident.

Keep in mind that there may be some differences between individual European countries. For example, addressing your clients by their first name may be common in the UK, but not in Germany or France. Also, punctuality is taken very seriously in countries, such as the UK and Germany. In countries such as Italy and

Spain, you are expected to arrive on time, but there is a much more relaxed culture in regards to punctuality. It is not common to bring gifts to business meetings in any European country.

Tips:

Attend European trade shows to get to know industry players and network with prospective buyers. Doing so is likely to give you an advantage in your journey to reaching the European market. Examples of trade shows include [Anuga](#) and [Fi Europe](#).

Review the article on [European business culture](#), which gives useful information on European business culture. Doing so will give you an advantage when you are communicating with European buyers.

To find out useful country-specific business culture information, visit [World Business Culture](#) and select the European country you are seeking to enter. Doing so will give you an advantage on your journey to reaching the European market.

Research marketing materials and websites of food companies such as [Unilever](#), as well as buyers such as [Mane](#). This will help you to get to know the values of the industry and claims that companies are making to attract consumers. It is important that you adjust your sales pitch and marketing materials accordingly.

2. Organise your technical dossier

Ensure you have well-prepared and structured technical dossiers easily available. Have these ready before you approach European buyers, because it shows you offer reliability and it adds credibility to your business. Be prepared to invest time and resources to prepare documentation required by European buyers.

Your dossier should contain the latest available information about your natural food additives. This includes information about your natural food additives' effectiveness, traceability, sustainability, methods of production, claims, patents and health and safety. This also includes the Safety Data Sheet, the Certificate of Analysis and other information supporting your natural food additives specification.

The Technical Data Sheet and the Certification of Origin, along with information about the application of your natural food additive, are other important examples of documentation for the food industry. Be prepared to complete questionnaires about your compliance with EU regulations, because European buyers often require this.

In recent years, European Union (EU) regulations have become stricter; quality standards are also increasing, leading to more pressure on European buyers. It is therefore important for you to provide documentation that is well prepared and structured to European buyers.

Tips:

Read the [CBI study](#) on preparing a technical dossier.

Review these examples of a [Safety Data Sheet](#), a [Technical Data Sheet](#) and a [Certificate of Analysis](#) for stevia extract, as they are the three components of a technical dossier.

Ensure your natural food additives dossier is updated regularly.

Find out what documentation European buyers need from you and what their requirements are concerning your natural food additives.

Larger buyers and manufacturers might require you to comply with their code of conduct. Show flexibility and enthusiasm for doing so. This could help you on your journey to accessing and trading with the European buyer.

3. Meet common buyer requirements

Make sure that you comply with mandatory and additional buyer requirements. It is necessary that you invest time in educating yourself on what regulations apply to you. By doing your homework, you can show your potential customers that you are a reliable business partner.

European buyers are primarily interested in the quality and safety of your ingredients. Other important areas in regards to their requirements include traceability of your ingredients, sustainable production methods and transportation. Understand that buyers' requirements can differ. Some buyers source only organic or fair trade certified ingredients. Others focus on a wider portfolio of conventional and natural products.

Certification is also seen as a sign of quality and credibility and it can help you prove the traceability of your ingredients. A transparent supply chain can help you negotiate with buyers. These aspects are becoming increasingly important for European buyers, as the demand for certified products is increasing.

Important regulations to adhere to include the European Union's (EU) [General Food Law](#), which ensures the safety of your natural food additives. You also need to comply with regulations related to the EU's Maximum Residue Levels (MRLs) for pesticides ([EC Regulation 396/2005](#)) and heavy metals ([EC Regulation 1881/2006](#)).

As an exporter of natural food additives, you need to comply with the EU's [Classification, Labelling and Packaging \(CLP\) Regulation](#) (EC Regulation 1272/2008). [EU regulation 1333/2008](#) sets rules for the use of additives, such as colours and thickeners. Meanwhile, [EU Regulation 1334/2008](#) sets rules for the use of flavourings, such as essential oils.

European buyers assess the quality of your company by evaluating the environmental sustainability and social standards it upholds. Meeting [UNCTAD BioTrade Initiative BioTrade Principles and Criteria](#), alongside the [FairWild](#) Standard, demonstrates your commitment to environmental sustainability. Meanwhile, having [FLO Fairtrade](#) certification and or meeting the [Fair for Life](#) Standard demonstrates your commitment to upholding social standards.

Tips:

Put emphasis on the traceability and sustainability aspect of your ingredients. Make sure you can back up your claims with documentation.

See the [CBI Study](#) on which requirements natural colours, flavours and thickeners must meet to be allowed on the European market. This also gives more information on mandatory and additional requirements that European buyers have.

Demonstrate that you comply with the Convention on Biological Diversity and what the status of your ingredients is in regards to Access and Benefit Sharing.

4. Set reasonable prices

Your pricing for your natural food additives must be set before you start approaching buyers. You can commercialise your food additives only after setting a pricing strategy for your ingredients. There are several aspects that you need to take into consideration.

Firstly, you have to understand how your competitors price their food additives. You need to make sure that you have an understanding of whether your food additives are perceived as valuable and what competition you potentially face. You should also have an idea about the volatility of your prices. These factors can range from weather patterns and regulations to prices of competing ingredients.

To set your pricing, you need to know your fixed and variable costs. Your price should be based on your costs and margins. Make sure you take account of all costs, including salaries, fees for professional services, insurance, marketing costs and transportation. You also need to include any additional costs, like certification and shipping paperwork.

Food additives are sold in different quantities. The volume depends on the type and quality of ingredients, and can range from a couple of kilos to hundreds of tonnes. It is important for you to be honest as to what volumes you are able to supply. Be aware that this will also affect your prices.

Buyers often expect discounted prices when ordering large quantities of natural ingredients, something you must be prepared for. To calculate this, find out information concerning higher or lower unit prices of logistics. This includes costs of handling, transporting and warehousing your food additives. You must work this out accurately, or it may lead to your business incurring losses.

For example, some stevia suppliers offer a 10-30 percent discount for orders of 100 kg and above. In case of seaweed extracts, discounts of 10-20 percent are also common when ordering larger quantities, e.g. 500 kg and above. It is also common to agree on a fixed price once a deal is made for a longer period, e.g. over 1 year. Discounts on shipping can also be offered when ordering larger volumes of natural food additives.

Make sure you do not under- or over-price your food additives. Pricing your products too low can have a negative impact on your business turnover. This can also give the impression that your ingredients are of lower quality. Over-pricing can hamper your export activities as well. You can also ask for feedback from your potential customers, on whether your pricing is fair.

If you are providing a premium food additive that is certified, you should have a higher margin. However, you must ensure that your quality meets a certain standard. Failure to set correct pricing will put you at a disadvantage when meeting prospective buyers, because they will request this before doing business with you.

Visit online business-to-business (B2B) platforms such as [IndiaMART](#) and [Alibaba](#), which list your competitors' prices. Search for your natural food additive and use your competitors' prices as one of your starting points when deciding where to set your prices. For example, a quote for coconut sugar is around 4.5 EUR/kg. Organic coconut sugar can be priced at around 7.5 EUR/kg. Exporters of natural food additives usually work with basic prices.

You must only use this as a starting point, from which you must then consider important aspects that determine your price, such as quantity. You must also leave space for flexibility and negotiation.

Tips:

Make sure you know what turnover you want to reach before setting your pricing. This will give you an idea about what margins to set.

Work out your various costs, break-even point and margins to determine your ingredient prices.

Consider certification for your food additives. You can then justify changing the premium. In case of fair trade certification, pricing guidelines are provided.

Get to know common terms used in international trade related to pricing. For example, you can find a list of some of the [basic Incoterms](#) online.

Find sample prices of your natural ingredients by doing basic Internet searches, for example, on websites such as [Alibaba](#) and/or by visiting trade shows such [Anuga](#) and [Fi Europe](#).

5. Customise your sales pitch to every buyer

An important part of maintaining and creating successful business relationships with European buyers is preparing a sales pitch. You need to understand your potential customers when pitching to them. So make sure you do thorough background research on potential buyers.

It is also important to understand the role of your contact within the company and adjust your sales pitch accordingly. For example, purchasing managers may be more focused on the quality and quantity of ingredients, whereas sales representatives may be more concerned about what their clients would be interested in, such as claims, efficacy and marketing stories. Arrange meetings with people who have decision-making power within the company.

Since every buyer is different, it is important that you create a basic template for your sales pitch that covers the most important points. The most important points to cover include the benefits of choosing you, your unique selling points and proof of your success; for further information, read this article on [making a good sales pitch](#). You can then personalise the pitch accordingly. There is increasing demand for certified [organic](#) and [fair trade](#) products. Thus, organic and fair trade certifications are two of the most valued unique selling points in this sector. You must therefore include your certifications in your sales pitch. Offering a low price is not a unique selling point, as it suggests your product may not be of the highest quality. You must therefore set a reasonable price. Make sure you include your certifications, such as organic and fair trade. Because of growing demand for certified products, these are selling points for your ingredients. Applying the SEDEX system to your business and supply chain is one way to demonstrate you are an ethical company. Having your ingredients certified adds credibility to your ingredients and it is also seen as a sign of quality by European buyers.

Marketing stories are an important part of your sales strategy. European buyers are increasingly using them to cater to manufacturers and European consumers. It is important that you include information about sustainability aspects of your food additives in your marketing materials. These include certification schemes, quality management, community projects and growing of raw materials.

An example of a company that uses marketing stories is [PT. Coco Sugar Indonesia](#). The company lists all its certifications on its website, and also has a dedicated section explaining the company's values and the certifications its products carry. The website also explains how the company's products are made, their lower environmental impact and the [fair trade aspect](#) of the production process.

It is important that you use certifications and sustainability as unique selling points of your food additives. If your food additives are certified organic and fair trade products, you should include this in your sales pitches and marketing materials.

Make sure that you follow up after your meeting with your potential buyers. Do not wait for buyers to come back to you. Instead, show a proactive attitude and reach out to your potential clients.

Tips:

Make sure you know what position your contact has in the company and adapt your sales pitch accordingly.

Make clear what the unique selling points of your natural ingredients are in marketing materials. Include logos of certifications that your ingredients have, and create marketing stories about sustainability aspects of your production methods. For example, if you are pitching to a buyer specialising in organic ingredients, ensure you include information about any organic certification you hold in your sales pitch.

Look for additional information before approaching buyers. For example, find out what their expectations are regarding quality management, certification schemes and minimum volume requirements.

Try to build a professional relationship with your potential buyers when pitching to them. Research their company website and find out about their history, values and mission. Try to find similarities between your businesses and point them out.

Make sure you follow up with all your potential buyers after your meetings. This shows that you are serious about your customers.

6. Partner with export agencies and industry groups

You can increase your chances in the European market if you join an export promotion programme or work with industry groups to help you trade with European buyers.

There are various export agencies that provide specialist knowledge and support to exporters looking to enter new markets. These programmes offer coaching programmes and market intelligence on specific European industries, including the food industry. These programmes are cost-free. The reason why you should join these programmes is that you can get insights on what regulations you need to comply with, as well as information on relevant industry trends in the European food & drink market.

Keep in mind that you may be asked to incorporate the knowledge that you acquire and make certain changes in the way you operate your business. By not working with the tools that various matchmaking programmes provide, you could miss out on vital information on the European market. Your export activities could also be hampered by lack of knowledge on regulations and requirements that European buyers have.

The services that these export agencies provide include training, coaching, distance guidance, trade fair participation and business matching. This is often delivered by European sector experts who are well equipped to advise exporters on how to access the market. For example, such experts know the requirements and expectations European buyers have.

A key advantage of being part of an export promotion programme is that it provides you with networking opportunities to connect with prospective European buyers. In addition, your business gets higher credibility by being present at such networking events. It shows your seriousness in meeting buyers.

Important European agencies operating in the natural ingredients sector include the [CBI](#) (Centre for the Promotion of Imports from developing countries), [IPD](#) (Import Promotion Desk) and [SIPPO](#) (Swiss Import Promotion Programme). Consider seeking their assistance.

The CBI provides an extensive range of services to exporters from developing countries wishing to enter the

European market. Services offered by the CBI include export coaching programmes, training and coaching, distance learning and guidance, company visits, market information and multiple trade fair participation.

Through its network of experts, SIPPO provides support to chosen Business Support Organisations (BSOs) that help exporters increase their exports to new markets. Expert training and coaching is given to BSO employees in their home country, which they then use to help exporters.

The IPD provides exporters from developing countries with opportunities to meet European importers, particularly German importers. In addition, the IPD also prepares market reports that help exporters enter the European market.

[Africrops](#) is a non-governmental organisation (NGO) that provides consulting services for exporters in African countries to help them access the European market. Specific services offered by Africrops include training, coaching and capacity building. [The Institute for Agriculture and Trade Policy](#) (IATP) is another non-governmental organisation that helps exporters export to new markets. The [Asian Trade Promotion Forum](#) (ATPF) offers tools, such as capacity building programmes, networking events and various cooperative projects that strengthen the trade activities of its members.

Other NGOs and organisations that can help you with your international trade activities are the [International Centre for Trade and Sustainable Development](#) (ICTSD) and the [International Chamber of Commerce](#) (ICC). ICTSD provides advocacy on sustainable development, as well as training programmes for trade, information and research services. The International Chamber of Commerce promotes cross-border trade and investments and provides services to enterprises.

Joining a trade promotion programme is very important for exporters in developing countries. The European market is very competitive with stringent regulations, and exporters of natural ingredients in developing countries must take advantage of all resources available to improve their chances of success.

Tips:

Make sure you take advantage of the services that export promotion agencies provide.

Check if BSO and/or export promotion agencies offer services in your country to help you grow your business by exporting. For example, you can get help with advertising, promotional events, export training, capacity building, regulatory compliance, market intelligence and attending trade shows.

7. Organise your sales team in an efficient way

A sales team is a crucial part of any business. Having a well-organised sales team is essential for your bottom line. Therefore, it is essential that you organise your sales team in the most efficient way. This can improve your chances of having successful relationships with European buyers. It is very important that your sales team understands their targets and the overall mission of the company.

Make sure all sales professionals in your team fully understand the range of products that you are offering, their application and their value to clients. The members of your sales team should be able to independently communicate details about your food additives to clients.

You should structure your sales force alongside your marketing strategy. As a small and medium-sized business, you should focus sales force resources on serving your major customers. As you expand in your export activities, you should organise your sales team according to your international and domestic markets.

You should also take into account the specialisation of your sales force. If your food additives require a lot of technical knowledge, you should organise your sales team by product line. You may also need to hire people with a technical background or invest in training programmes, so that your sales employees are capable of providing a high level of technical service to customers.

By failing to organise your sales force in an efficient manner, you may hamper your chances to find clients and maintain long-term relationships with them. It is essential that you follow this tip, as there is a high level of competition in the natural food ingredients sector.

Tips:

Read more about organising your sales team by searching online. For example, check out [organising your sales team and marketing your products](#).

Make sure you invest in training your sales team. Your sales team has to understand the technical aspects of your food additives, be able to do account management and know how to close a deal.

Your best employees on your sales team should be in charge of your most important clients.

Make sure you meet with your sales team on a regular basis to assess their performance and targets.

8. Conduct yourself in a professional manner when dealing with European buyers

Being professional is essential in promoting a reliable business image. Upholding a certain standard of professionalism is necessary when dealing with European buyers. Behaving in a professional manner adds to your credibility and shows that you are a dependable business partner.

Your behaviour reflects on your company and plays a role in how others perceive your business. Several factors play a role in presenting yourself as a professional, including the way you talk and dress, your level of transparency and honesty about your ingredients, punctuality, following through on agreements and promises and responding in a timely manner.

If you make a mistake, show concern and take responsibility for it. Implement measures that ensure that similar mistakes will not happen again. Inform your customers of how you fixed the issue. This also shows transparency and builds trust in your business relationships.

The importance of professionalism cannot be highlighted enough. European buyers are inundated with requests from potential suppliers. Therefore, it is important that you go the extra mile when doing business with European buyers.

Tips:

Maintain professionalism when communicating with European buyers in person or via email. The impression given in your communication style as well as in the documents you submit is important in conveying the right impression about your business.

Show that you have a code of ethics, even if it is not written down. Display ethical behaviour at all times and treat everyone you do business with respectfully and appropriately. At the same time, set boundaries with clients and subordinates.


Create an atmosphere of improvement in your interactions with buyers. If something goes wrong, own


up to your mistake and incorporate appropriate measures that will prevent the same mistake from happening again.


This study has been carried out on behalf of CBI by [Ecovia Intelligence](#).

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