

## 7 tips for doing business with European spices and herbs buyers?

When you contact spices and herbs trading companies in Europe, your manner of communicating and doing business can strongly influence your level of success. Effective communication and professionalism are important not only to attract potential buyers, but also to convert them into prospects and to maintain long-term partnerships. This chapter will help developing country exporters by providing a number of insights to help tackle their challenges in communication, marketing and doing business.

### Contents of this page

1. [Respect cultural differences but do not stereotype your buyers](#)
2. [Be aware of price fluctuations and set fair prices](#)
3. [Be authentic](#)
4. [Be the champion of the trade fair](#)
5. [Approach your potential buyers. Spices and herbs is a face-to-face business sector](#)
6. [Do not work alone, find a helping hand in business support organisations](#)
7. [Find the instant help in our pragmatic studies](#)

## 1. Respect cultural differences but do not stereotype your buyers

What is acceptable in your culture may create conflict in another culture, and vice versa. To create strength from cultural differences in international collaboration, you need to manage expectations. The most relevant cultural aspects are listed below. However, please note that these are generalisations and may not hold true for every business organisation in Europe. Each company has its own culture, and every individual is unique and cannot be generalised.

It is safe to say that recognised traders in the spices and herbs sector are mostly professional, pragmatic and to the point. Established traders know the market well and have good knowledge of the product grades and different quality aspects. They will appreciate personal contact and prioritise professionalism.

One of the best ways to increase your intercultural and overall business communication skills is to invest in training and coaching. A common pitfall of culture and communication workshops is that they often miss the individual approach and do not monitor the participants' development. The way we communicate is a part of our personality and cannot be changed by simple training sessions, no matter how interesting they are. So, make use of social psychology, and combine training with psychological coaching to get better results.

### Language and heritage

Your sales staff must have excellent command of the English language. This will be sufficient to communicate with most European purchasing managers. Still, buyers from some countries appreciate it if you can address them in their native language. This holds true for Spanish-, French-, Italian-, Portuguese- and German-speaking countries. For example, France shows significant import growth of vanilla from Madagascar (French-speaking country and common heritage). Another example is Spain: they import more than 90% of the European share of dried chillies from Peru (Spanish-speaking country and common heritage).

### Structure and order

To different degrees, potential customers in western and northern Europe are very structured and like to plan everything in detail to avoid unexpected changes and delays. However, there are small differences between target markets. For example, in the Netherlands and France, business meetings tend to be structured but not overly formal, beginning and ending with a bit of small talk. On the other hand, potential customers from southern European countries such as Spain and Italy will be more flexible and less punctual. Structure and order are also less relevant during crowded trade fairs such as [ANUGA](#) or [SIAL](#), where the time for meetings is very

limited.

## Communication style

When approaching European buyers of spices and herbs for the first time, it is important to be concise and to quickly but clearly introduce yourself and your offer. This is especially important when you meet them during trade fairs. The communication style of some societies is characterised as 'circular': people tend to give detailed information around the main subject, which is often only stated at the end of the conversation. This is opposite to the 'linear' communication style of Germany, Austria or the Netherlands and many other countries in Europe, where people usually start with the subject and come to details later.

Another important aspect of communication style is the expression of emotions. For example, British people, Germans or Dutch people usually monitor and control the amount of emotions they show in business meetings. On the other hand, in markets such as eastern Europe, Spain, Italy and France, emotional reactions are very common including laughing, smiling, grimacing or scowling. Personal space is also perceived differently in southern Europe. People tend to stand closer to each other than in western Europe, but this depends on closeness between them. According to a [recent study](#), Brits like to keep a metre between themselves and a stranger, 80cm from an acquaintance and just over 50cm from an intimate or close friend.

## Hierarchy in the workplace

The power distance between the superior (team leader, company owner) and subordinate (team member, employee) are more characteristics of companies than of countries. In many of the spices and herbs companies, the purchasing manager will not make a final decision regarding your offer before consulting with their superior. One of the reasons for this is the respect for the relationships between current suppliers and the company owner. It is also quite common, especially for smaller companies, for selling operations to be performed by sales managers, while import and purchase operations are operated by the owners or top managers.

There are still some hierarchy preferences related to the company and the country level. For example, positions and their corresponding power are more clearly defined in France and Germany than in the Netherlands. Also, the French and Germans use more formal etiquette in business situations. In some supplier companies, subordinates tend to give the floor to their superior. Potential Dutch customers can perceive this as a lack of proactiveness, as they would expect everyone to contribute to the meeting.

### Tips:

Practice your handshake. Physical contact, such as a handshake, is not the norm in many Asian countries. This can make businessmen from those countries feel uncomfortable when shaking hands. A firm handshake shows confidence and is preferred over a soft handshake, which can indicate apathy or insincerity to someone.

Speak loud and clear, but not too loud. Voices should be kept at a comfortable and pleasant volume. German, Dutch, and British customers may be uncomfortable with a loud speaking voice, which can be perceived as intimidating.

Do not touch your business partners, apart from handshaking. Giving small gifts is acceptable, but they are perceived better after the business relationship has already been established.

To be on the safe side, address business partners from Germany or France formally by using Mr or Mrs/Ms or professional or academic titles (for example, 'Professor' or 'Doctor') followed by their last names. French speakers are more likely to use Monsieur, Madame or Mademoiselle.

Wear a business suit for first meetings, trade events, and other important occasions. After the first meetings, you can dress more casually. Usually, wearing a business suit is not of crucial importance in the spices and herbs business in Europe.

## 2. Be aware of price fluctuations and set fair prices

In the European spices and herbs market, prices fluctuate regularly depending on production in the main supplying countries. In cases where a small number of countries dominate the world supply, price fluctuations are even higher. When the yields in those countries are high, prices go down and vice versa. Examples of dominant suppliers and global price influencers include China (dried chillies, ginger), India (turmeric, cloves and several other spices), Iran (saffron) and Madagascar (vanilla).

It is therefore very important to be aware of prices set by the leading supply origins. When you are starting to export spices and herbs to Europe, you will mostly be depending on prices offered by the leading suppliers. For new suppliers to Europe, one approach is to keep prices a little lower than that of the competition. Once you are more familiar with the market, and are able to anticipate market trends, you can add a tiny margin to your price.

Once you are in the market, you can try to upgrade your buyer portfolio, and thus improve your average sales price. However, buyers who are willing to pay more will also be more demanding in terms of quality, logistics and service, so be realistic about your options. It is important to cooperate with other suppliers from your country in this process, and to mutually invest in quality improvements. When quality from one country is recognised as consistently good, you will have more chances to increase your price.

When you compare your price with other supply destinations, it is better to use C-terms and D-terms as a base for the comparison. ExWorks and F-terms do not include logistics and customs costs, which may be different between countries. However, when making a quote, you should select Incoterms that are more favourable for you. For example, if you are trading large quantities of goods, you can get better offers from transport and insurance companies. In this case, CIF (Cost, Insurance and Freight) price will be more competitive for you. If you have little export experience, it is safer to offer the price based on ExWorks or F-terms only.

Once you have included all costs into your price and added a margin according to the current reality of the market, it is time to set a quote. There are several important elements that you should include in a quote. Figure 1 below summarises some of these important elements as follows:

- Product description – you do not need to include a complete product specification in your quote, as you can send it as an attachment. However, it is important to include basic grades and quality information related to your offer. Several criteria explain the offer, such as variety, size (for whole spices) or colour (defined by the industry standards).
- Shelf life – this is often based on industry experience. There are no industry standards defining shelf life, so it is your responsibility. Often, traders will require a shelf life of at least six months after import, in order to meet the expectations of retailers.
- Price – should be stated in the currency that is most favourable for you, although European buyers prefer to get a quote in EUR. It must be clear which Incoterms are used for the price and which unit is used (usually net weight in kg or tonnes even for the liquids such as juices or purees). You can check our [product-specific studies](#) to find more information about prices for particular products.
- Packaging – indicating type, size and container load. Container load can indicate how many cargo units (such as pallets) are placed in the container.
- Payment – you can indicate payment terms, but you can also negotiate payment terms later. For example, if your buyer asks for deferred payment, you can negotiate a higher price because you would need to use the service of an export insurance agency. You can read more about the ways to ensure your payment in our study about [Organising Export of Spices and Herbs to Europe](#).
- Date of the expiry of your quote – you do not always need to indicate a date. Sometimes you can indicate that the offer is valid until the product is available for selling. However, in this case, indicate that your price offer is not final. This is to avoid problems of frequent price fluctuations during longer time periods.

Figure 1 – Example of the quote in the spices and herbs sector

We're pleased to send you our firm offer, subject to final confirmation as follows;



Product:	<b>Black Pepper ground HT Premium, machine dried, steam sterilization</b>
Variety:	<u>Bragantina</u>
Specs:	800 micron, comparable with 20 mesh. 500 micron, comparable with 35 mesh.  For complete product specification see attachment
Shelf life:	18 months from production date, if kept in dried and ventilated room
Price:	2,85 EUR/kg, FOB Santos
Packaging:	paper bags with inner liner 20 or 25 kg poly blue bags 20 or 25 kg big bags of 500 kg  On euro pallets or one-way pallets.
Shipment:	January and February 2019
Quantity:	<u>2 FCL's</u> / month. Subject to reconfirmed.
Payment terms:	L/C; T/T
Estimated delivery time	25 days
Validity:	Until October 5 <sup>th</sup> , 2019



Source: Author, based on real quote examples

## Tips:

Consider subscribing to the [IEGVu](#) portal. It is one of the most respected market information services for spices and herbs. The subscription will offer you regular and timely updates on export prices for several products.

Do your best to find a reliable trader who is willing to regularly update you about market prices. Some spice and herbs brokers can regularly update you with price information, including [Van der Does](#), [AVS Spice](#) or bulk importers such as [Nedspice](#).

Stay up to date regarding the price developments from specific price portals such as the [International Pepper Community](#) or the [Spices Board of India](#).

Cooperate with producers of equipment for spices and herbs production. Those companies often have good information about yields, harvest and prices in the countries they supply.

Order the latest version of [Incoterms](#) (currently Incoterms 2020) to clearly define what is included in your price and what not.

### 3. Be authentic

Whatever promotional activities you plan, it is important to define your Unique Selling Propositions (USP). In other words: what makes your offer different from the competition? Each company should create a USP to distinguish them from competitors. However, if the origin of your product has added value, you can come up with a generic USP for the product from your region or country.

It is a good idea to develop a brand for your company. This works well in business-to-business (B2B) trade in a similar way to business-to-consumer (B2C) trade. If your country is recognised for some specific products (for example, by the protected designation of origin) you can connect your brand to the brand of your country. Country brand campaigns from developing countries include [Superfoods Peru](#) (branding on Peruvian functional and other food), [Ceylon Spices Born in Sri Lanka](#) (branding and promotion of the Sri Lankan spices), [Product of Iran](#) (used to promote origin of saffron) and [Amazing Thai Taste](#) (promotion of food from Thailand used on international trade fairs).

You can create your USP around different aspects. It is important to offer authenticity over superiority. In other words, do not claim to be 'the best in the world', but instead show how you are different. Here are some aspects for consideration:

- Origin as USP – you can base your USP on the specific characteristics of spices and herbs from origins. An example is [Amazon Andes Export](#). They highlight Peru as the origin and use the country's official logo.
- Product characteristics – you can base your USP on specific characteristics of your product. It can be a specific variety that is not widely known, but with desirable quality (for example, [saffron from Afghanistan](#) or [rare and fragrant cardamom](#) from India). Your product can also be in line with food trends (for example Indian [turmeric with health benefits](#)).
- Product quality – product quality is specified by several industry standards for different types of spices and herbs. You should not advertise yourself as the company with the best product quality, as quality is sometimes closely related to the weather conditions. It is better to create your USP around other quality aspects such as 'standard and stable quality', or that you are never below minimum quality requirements. Sometimes it will be enough if you stick to the basic requirements and never fail (for example, a Chinese dried chillies producer promotes [food safety by steam sterilisation](#), to offer specific quality for the European market).
- Natural and unique environment where your product is produced – many developing countries have clean nature and lower use of pesticides. This can be offered as a USP. [Bhutan Natural turmeric](#) is an example of this. Bhutan is promoting itself as an organic country.
- Price – there is nothing wrong with promoting your price as better than the competition. However, it is important to underline that your price does not automatically mean lower quality.
- Your service – if you are punctual, responsible and solve problems quickly, this can be your USP. For example, this Indian spice company, emphasises a client-centric approach and [fast delivery methods](#) to cut down on transport time.
- People – if you are caring to your staff and their families and if you have created a positive atmosphere in your company, this can be a point of recognition. For example, this producer of spices from Indonesia emphasises the [competence and professionalism](#) of their staff.

#### Tips:

Be honest. Do not advertise products or services you cannot deliver. In the spice industry, it is important to never cheat. Problems with fraud in spices are a hot topic within the European Union. You should never risk ruining your image by selling adulterated spices.

Never create your USP alone. A USP must be accepted as a shared value by all your employees (including employees who do not directly participate in export activities). Include all levels of your company in the process of USP creation. It is a team-building process.

Communicate your brand consistently on all your media platforms, your website, social media, in your

emails, newsletters, quotations, letters and business cards. Creating a brand will make you more unique and recognisable and will add value to your business.

Participate in and explore innovative product competitions on the leading European trade events such as [ANUGA](#) or [SIAL](#). Even if you do not get an award, you will learn which trends companies use to create USP.

## 4. Be the champion of the trade fair

Food trade events in Europe are important platforms for spices and herbs companies. They are perfect place to promote yourself among other companies in target markets, find new leads, and meet with existing customers. A trade fair is live, interactive, and allows companies to have a three-dimensional display to present the company and its products. One of the largest advantages is that companies can meet potential customers face to face, which is very important in gaining trust in the spices and herbs sector. Bear in mind that participating in a trade event abroad can be costly, so you should only invest in an event participation when you:

- know there is demand for your products/services in the target market(s);
- know you can meet the requirements of potential customers;
- have made the necessary product adaptations for the target market(s);
- can offer added value or distinguishing propositions.

Find the list of the most relevant trade fairs in our [Tips for Finding Buyers in the European Spices and Herbs Market](#).

The size of this study does not allow for a detailed exploration of all important aspects of trade fair participation, but you should separate the following three stages and prepare well in advance for effective trade fair participation:

### Before: 'Pre-Fair Promotion Stage'

You should start pre-fair activities months in advance. However, the practical activities for your sales should start six to eight weeks before the fair. The goal is to attract existing and potential customers to visit your stand. European spices and herbs traders should be made aware of your participation and be informed about why they should visit you.

Regarding pre-fair promotion, consider the following:

- Have a goal in mind: how many leads are needed?
- Choose communication tools. A cost-effective way of communicating trade fair participation is to advertise on the company website, using social media and direct marketing.
- Communicate important information, such as the name of the event, the location, the dates and stand number. Also try to answer the question: 'Why should the potential customer visit you?'
- Obtain as many confirmed appointments with potential customers, as possible. A common pitfall among first-time exhibitors is that they completely overlook this step. Some trade events offer matchmaking services on their website, including [BIOFACH](#), [Anuga](#) and [SIAL](#).
- Social media sometimes allows attendees of an event to communicate with each other. Try to find out if the organiser of the event uses social media tools.
- The stand should look professional, and it should clearly communicate what the company has to offer. This will reflect the company's professionalism and trustworthiness.
- Try to stand out by being creative in the organisation of activities. For example, a 'mini-congress' can be organised with an interesting speaker and topics. You could also attract buyers through a tasting show or by offering interesting giveaways.



## **During: ‘Execution Stage’**

Your goal at this stage is to get in touch with potential customers that can be converted into actual customers. Here are some important tips on how you can do this:

- Show initiative! This will help establish contacts and engage with potential leads more effectively.
- Actively investigate who the best potential buyers are among the stand visitors. Ask your visitors why they are visiting the fair and what they hope to learn. Make use of business contact forms.
- During stand demonstrations and activities, check which stand visitors face challenges that your company could solve. Make sure to talk to them after the demonstration or activity has finished.
- Behave professionally at the stand. Do not overlook common pitfalls, such as eating at the stand.

## **After: ‘Follow-up Stage’**

Exhibition efforts will not deliver satisfactory results if representatives do not follow up with leads. After the fair, the real work starts: turning leads of companies into customers. Carefully go through the business cards and other materials that have been collected. Which contacts appeared to have a mutual interest and are likely to develop further?

Within the first two weeks after the fair, you should:

- Contact your leads. Prioritise from the most qualified leads to the least. Contact potential customers; remember that competitors will also be contacting them.
- Think and act on any promises made. For example, a representative may have promised to send a sample or set up a phone call with a lead.
- Consider sending an email in which you thank your stand visitors. Add a photograph of the stand to help them remember the scene and the company.

## **5. Approach your potential buyers. Spices and herbs is a face-to-face business sector**

When working with European traders of spices and herbs, keep in mind that they appreciate a practical approach and personal contacts. Direct marketing is a marketing approach that you can use to promote your offer among other spices and herbs companies in Europe. A variety of methods can be used, including telephone calls or direct mailing (for example, sending a printed brochure).

Only communicate with a selected list of potential customers. Your resources should be focused on the ones that are most likely to be converted into actual customers. Note that your success rate will depend a lot on proactiveness and skills (and instincts) in selling.

### **Create a List of Targets**

[CBI Tips for Finding Buyers](#) discuss how you can compile a list of potential buyers. Use a direct marketing approach when you compile your list of buyers that match your offer. Quality is important, so you should evaluate and target those who are most likely to be interested in your offer, or the ones that you are certain you could add value to. Target people that you personally met during trade events. Continuously maintain your list of potential buyers by actively seeking new contacts.

### **Create a Contact Plan - Which Communication Channel Will Reach the Target Audience?**

Should a letter and a brochure be sent? Is there enough budget allocated for this channel? For spices and herbs companies, there is an effective solution: a telephone call followed by an email. A telephone call allows you to personally give a brief introduction of yourself and the company, and it is more effective in catching the target's attention than an email or letter. If the potential buyer shows interest, an email can be used to provide more information. In order to reduce international calling costs, you can use internet calling software, such as Skype, which will significantly reduce costs.

## Customise your USP - How Can Value be Added?

You should make use of the USP that you created (discussed in the previous chapter). Do not randomly call companies from your list and do not give them the same offer in the same way. Focus on the specific benefits of doing business with them. For example, if your target is a supplier of the foodservice segment, you can offer them specific packaging solutions. Before you pick up the phone, you should collect as much information as possible about your potential buyer. Information about future plans and activities gives hints of what qualities the customer values and what they might need.

## Customer Engagement Plan - Which Engagement Tactics Should be Used?

These tactics aim to induce an active response from the target. If your potential client shows interest, offer him some actions. It is common to offer a sample of the product. Be very careful to offer a product of the standard quality that you can always deliver. Do not offer samples that are above your standard quality. The next step could be providing a free-of-charge study visit to your company.

## 6. Do not work alone, find a helping hand in business support organisations

There are many business support organisations (BSOs) that can support your export. They may be located in your country, or in your target market or they may perform support activities on an international level. Some of those organisations have customised export promotion programmes (such as CBI), specifically focused on export to Europe and targeted at specific regions. National export promotion organisations usually fund activities such as export market research, training on export-related skills, participation in trade fairs or matchmaking activities.

The most famous international BSOs supporting exporters in developing countries are:

- [Centre for the Promotion of Imports from developing countries](#) (CBI). A government-funded organisation that supports more than 800 entrepreneurs in becoming successful exporters on the European market. They offer market information for various products and services, they offer export coaching programmes, technical support, they inform and influence policymakers and involve importers in the development and implementation of their programmes.
- [The Swiss Import Promotion Programme](#) (SIPPO). A government-funded organisation that supports BSOs to improve their services for exporting companies, and to strengthen their own institutional set-up, as well as connect them to an extensive network.
- [The Import Promotion Desk](#) (IPD). A government-funded organisation from Germany that aims to offer sustained and structured promotion of the import of certain products and services from selected partner countries. They bring together the interests of German importers with those of exporters in emerging growth markets.
- [International Trade Centre](#) (ITC). Agency of the United Nations based in Geneva (Switzerland), dedicated to supporting the internationalisation of small and medium-sized enterprises around the globe. Most of the activities are aimed at supporting exporters from developing countries.
- [Enterprise Europe Network](#) (EEN). Founded by a commission of the European Commission. Helps companies of all kinds of products and services to innovate and grow internationally. You can check if your country has a [focal point](#) for EEN.
- Development agencies from Scandinavian countries focused on bilateral trade projects. Those include [Open Trade Gate Sweden](#), [Finnpartnership](#), [Danida](#) and [Norad](#).
- [World Trade Centres](#). World Trade Centres are spread around the world. They help to connect with potential partners worldwide. You can ask for business advice and even rent space for business meetings.

Although the above-mentioned BSOs can help you in your export activities, you should always start by checking the possibilities for support from your own country. Organisations such as export promotion agencies, chambers of commerce, or embassies of your country in your target markets can help you with promotional activities. Some sector-specific associations also deal with export promotion activities. They organise communal stands on



exhibitions and trade fairs, organise export missions or do market research for member companies.

Aside from BSOs, you can find a lot of market support and relevant data at sector-specific associations. In order to fully benefit from those associations, you (or your sector association) must become a member. The most relevant organisations for the spices and herbs sector include the following:

- [European Spice Association](#) (ESA). The umbrella organisation representing the European spices and herbs sector.
- [World Spice Organisation](#) (WSO). A common platform for all stakeholders of the international spice industry.
- [Culinaria Europe](#). Represents national associations as well as producers of culinary products such as soups and broths, emulsified and non-emulsified sauces like ketchup and mayonnaise, salads, mustard, horseradish, condiment products, table olives and vinegar within Europe.
- [Association of the German Spice Industry](#).
- [Dutch Spice Trade Association](#).
- [Seasonings and Spice Association](#) in the United Kingdom.
- [Association of Processors and Packers of Spices and Seasonings](#) in Spain.

### Tips:

Establish personal contacts with staff of export promotion organisations located in your country. This will allow you to better understand support services and even give suggestions on how to improve them.

Check if there is a diaspora organisation of your country located in Europe. Diaspora refers to members of a population who have moved abroad, but who maintain close ties with their homeland. Diaspora can play an important role in trade. Diaspora members can create connections between your company and potential buyers.

Check [export promotion programmes](#) for spices and herbs on the CBI website. Also, contact IPD, SIPPO and ITC to check if there are any export support projects suitable for your company.

Contact local organisations within your country. Local establishments, such as regional chambers of commerce, regional development agencies or business support offices of towns and districts can also provide you with contacts and include your company in export support projects. Specifically, seek out the help of commercial representatives of your country's embassies in target markets.

## 7. Find the instant help in our pragmatic studies

CBI has created several studies where you can find additional information about doing business in Europe.

### Tips:

Read the [European market analyses studies](#) for several spices and herbs products. You will find useful data about product specifications that are necessary for your quote. You will also see which markets have the best potential for your company.

You can use the opportunity to [contact CBI](#) and to ask for help or even to propose new studies or programmes to be developed.

Read CBI's [Export Manual](#) to familiarise yourself with Europe as a potential export market.

Read CBI's [Tips for Organising Exports of Spices and Herbs to Europe](#) to find practical tips related to logistics.

Read CBI's [Tips for Finding Buyers in the Spices and herbs market](#) to produce your list of buyers matching your offer.


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

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