

7 tips for doing business with European buyers of processed fruit and vegetables

Effective communication and professionalism are important. Not just to attract potential buyers but also to convert them into prospects and to maintain long-term partnerships. When you contact processed fruit and vegetable trading companies in Europe, the way of communicating and doing business can strongly influence your level of success. This chapter will help developing country exporters to tackle their challenges in communication, marketing and doing business by providing useful insights.

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 potential buyers. Processed fruit and vegetables is face-to-face business](#)
6. [Do not work alone, find a helping hand in business support organisations](#)
7. [Find 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 to 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 processed fruit and vegetables 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 put professionalism first.

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

Language and heritage

Your sales staff must have very good command of the English language. This will be sufficient for communicating with most European purchasing managers. Still, buyers from some countries appreciate it if you address them in their native language. This holds true for Spanish, French, Italian, Portuguese and German speaking countries. For example, Spain imports more mango puree from Mexico than from India, although India is the leading supplier to Europe. Another example is France; they show a high import growth of dried tropical fruit and cashew nuts from French-speaking countries in West Africa.

Structure and order

In general, 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. They usually begin and end 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. Also, structure and order are 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 processed fruit and vegetables 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 many societies is characterised as “circular”. This means 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 main subjects and come to details later.

Another important aspect of communication style is the expression of emotions. For example, British, German or Dutch professionals 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 the relationship between them. [According to a recent study, Brits like to keep a metre from a stranger](#), 80cm from an acquaintance and just over 50cm from an intimate or close friend.

Hierarchy in the workplace

The difference in power between the superior (team leader, company owner) and subordinate (team member, employee) is more a characteristic of specific companies than of countries. In many of the processed fruit and vegetables companies, purchasing managers will not make a final decision regarding your offer before consulting with a superior. One of the reasons is respect for the relationship between current suppliers and the company owner. Also, it is quite common, especially for smaller companies, that selling operations are performed by sales managers, while import and purchase operations are operated by the owners or top managers.

Still, there are some hierarchy preferences related not only to the company but also to the country. For example, positions and the 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 dealings. In some supplier companies, subordinates tend to give the floor to their superior. But potential Dutch customers will probably perceive this as a lack of pro-activeness, 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, which can make businessmen from those countries feel uncomfortable when shaking hands. A firm handshake shows confidence and is preferable 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. Potentially, German, Dutch, and British customers can 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 this is perceived better after the business relationship is already 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 to any 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 processed fruit and vegetables business in Europe.

2. Be aware of price fluctuations and set fair prices

Prices are regularly fluctuating in the European processed fruit and vegetables market. The prices depend on the production in the main supplying countries. In cases where 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 Brazil (orange juice), California (almonds and prunes), Turkey (hazelnuts and dried apricots), Costa Rica (NFC pineapple juice), India (mango puree), and China and Poland (apple juice).

Therefore, it is very important to be aware of prices set by the leading supply origins. When you are starting to export processed fruit and vegetables to Europe, in many cases you will depend on the prices offered by leading suppliers. For new suppliers to Europe, one approach is to keep prices a little lower than the competition. Once you are more familiar with the market and 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 often also demand more in terms of quality, logistics and service. So be realistic about your possibilities. In this process, it is important to work together with other suppliers from your own country and to invest in quality improvements together. When quality from one country is recognised as consistently good, you have a better chance of increasing your price.

When you compare prices 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 the Cost, Insurance and Freight (CIF) 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.

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

- Product description – you do not need to include a complete product specification into your quote as you can send it as an attachment with your quote. However, it is important to include basic grades and quality information related to your offer. Several criteria explain the offer, such as variety (for example frozen fruit, purees or concentrates with high brix readings are better priced), size (normally all dried fruit and edible nuts are sold per size grades) or class (defined by the industry standards).
- Shelf life – this is often based on the industry experience. There are no industry standards defining shelf life so it is your own responsibility. Often traders require a shelf life of at least six months after imports, 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. This also count for liquids such as juices or purees).
- Packaging – indicating type, size and container load. Container load can indicate how many cargo units (such as pallets) are placed into 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 the export insurance agency. You can check our [product-specific studies](#) to find more information

about prices for particular products.

- 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 (not sold). However, in this case it is advised to indicate that your price offer is not final. This is to avoid problems of frequent price fluctuations during longer time period (for example when a new crop from leading destinations is available).

Figure 1 – Example of a quote in the processed fruit and vegetables sector

We're pleased to send you our firm offer, <u>subject to final confirmation</u> as follows;	
Product description: brix, crop, variety, specification, shelf life, packaging	Product: 1] Aseptic Pineapple Juice concentrate 60 Brix. Winter Crop, PROD September 18 th , 2019 onwards 2] Aseptic Pineapple Juice concentrate 65 Brix. Winter Crop, PROD September 18 th , 2019 onwards
Price: per weight, Incoterms	Variety: Smooth Cayenne Specs: Standard, B/A ratio 15-30, Pulp 8-12%, Nitrate max. 25ppm. Rest as per factory specification and sample to be approved.
Packaging and transport: type of packaging, weight, number of packs in the container	Shelf life: 12 months from production date, if kept in chilled room (1 - 5°C) to preserve flavour and colour changes.
Delivery: time of the year, number of containers per month	Price: 1] US\$ 1,100 pmt FOB Bangkok 2] US\$ 1,250 pmt FOB Bangkok
Payment and validity of the offer	NW/drum: Appr. 265kgs Packaging: Aseptic bag with PE bag in 200L steel drum. Load: 78 drums in a 20' <u>Dry</u> FCL without pallet Shipment: November to January 2018. Quantity: 3-5 x FCL's / month. Subject to reconfirmed. Payment: To be discussed and confirmed by factory. Validity: Until October 5 th , 2019

Source: author, based on real quote examples

Tips:

Do your best to find a reliable trader who is willing to regularly update you about market prices. Some traders or organisations regularly publish news about the main supplying countries and price fluctuations. Examples include; [Chelmer Foods](#) (publishing market updates for dried fruit and nuts), [Bohemia Nuts](#) (prices of peanuts), [MarketWatch](#) (concentrated orange juice) and several others.

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

Cooperate with producers of equipment for processing of fruit and vegetables. Those companies often have good information about yields, harvest and prices in countries they supply to.

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

Read more about how to ensure your payment in our [Organising Export of Processed Fruit and Vegetables to Europe](#) study.

3. Be authentic

Whatever promotional activities you plan, it is important to decide on the Unique Selling Proposition (USP) your company can offer. In other words: what are you offering that makes you different from competition? Each company should create a USP that distinguishes them from competitors.

It is a good idea to develop a brand for your company. This works well in business-to-business (B2B) trade and also, in a similar way, to business-to-consumer (B2C) trade. If your country is recognised for some specific product (for example by the protected designation of origin), you can connect your brand to the brand of your country. Brand campaigns from developing countries include [Superfoods Peru](#) (branding of Peruvian functional and other food), [I feel orange](#) and [Grape Juice of Brazil](#) (promotion of the Brazilian juice industry), [Beautiful Country Beautiful Fruit](#) (promotion of South African fruit) or [Amazing Thai Taste](#) (promotion of food from Thailand used on the international trade fairs).

You can create your USP around different aspects. However, it is important to offer authenticity rather than superiority. In other words, it is important not to claim that you are “the best in the world” but to show how you are different. Here are some aspects for consideration:

- Product characteristics – you can base your USP on specific characteristics of the product you offer. It can be a specific variety which is not widely known, but with desirable quality (for example [mango from Pakistan](#) or [jungle nuts from Indonesia](#)). Also a product can be in line with the food trends (for example Serbian prunes with [higher fibre and lower calories](#)).
- Product quality – product quality is specified by several industry standards for different types of processed fruit and vegetables. You should not advertise yourself as the company with the best product quality, as quality is sometimes closely related to weather conditions. It is better to consider creating your USP around other quality aspects such as “a firm and stable standard of 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 Tunisian dates producer (Biosca Tamara) promotes standard and stable quality through good [fruit selection, regular laboratory testing and certifications](#)).
- 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. For example [pine nuts from Siberian Taiga](#).
- Price – there is nothing bad about promoting your price as lower than of the competition. However, it is important to underline that your lower price does not automatically mean lower quality. For example [Myanmar mung beans](#) - high quality and price competitive.
- Your service – if you are punctual, responsible and solve problems quickly, this can be your USP. For example, an Iranian dates company emphasises on [delivery, customer care and meeting specific processing request](#).
- People – if you are caring to your staff, their families and if you created positive spirit inside your company, this can be a point of recognition. For example [responsibly produced dried mango](#) from Alto Magdalena province in Colombia.

Tips:

Be honest. Do not advertise products or services you cannot deliver.

Never create your USP alone. A USP must be accepted as a shared value by all staff of your company (including employees who do not directly participate in export activities). Make sure you include all levels of your company into 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 for example. Creating a brand will make you more unique and recognisable, and it will add value to your business.

Participate 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 are used to create the

USP of other companies.

4. Be the champion of the trade fair

Food trade events in Europe are important platforms for processed fruit and vegetables companies to promote themselves amongst other companies in target market(s), 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 the processed fruit and vegetables sector to gain trust. Bear in mind that participating in a trade event abroad can be costly and therefore you should only invest in an event participation when you:

- Know there is a need for your products/services in the target market(s).
- Know your products/services can meet the requirements of potential customers.
- Have made necessary product adaptation, customised to 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 Processed Fruit and Vegetables Market.

The size of this study does not allow us to explore all important aspects of trade fair participation in detail, but you should follow the next 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, most of 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 processed fruit and vegetables 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 relevant dates and your stand number. Make sure you can answer the question: “Why should potential customers visit me?”
- Obtain as many confirmed appointments with potential customers as possible. A common pitfall among first-time exhibitors is that they overlook this step. Some trade events offer matchmaking services on their website, for example [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 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, you could organise a “mini-conference” with an interesting speaker and relevant topics. Also, you could attract buyers through tastings 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 could do this:

- Show initiative! This will help you establish contacts and engage with potential leads more effectively.
- Actively find out who the best potential buyers are amongst 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 if they 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 company leads into customers. Carefully go through the business cards and other materials that you have collected. Which contacts appeared to have a mutual interest and are likely to go 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 competitors will also be contacting them.
- Think and act on any promises made. For example, a representative may have promised a lead to send a sample or set up a phone call.
- Consider sending an email thanking stand visitors. Add a photograph of the stand to help them remember the scene and the company.

5. Approach potential buyers. Processed fruit and vegetables is face-to-face business

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

As you should only communicate with a selected list of potential customers, 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 pro-activeness and skills (instincts) in selling.

Steps to follow:

Create list of Targets

The CBI [Tips for Finding Buyers](#) document discusses how you can compile a list of potential buyers. A direct marketing approach should be used when you compile your list of the buyers matching for your offer. Quality is important, so you should evaluate your contacts and target those who are most likely to have an interest in your offer. You can also select contacts that could add value to your business. 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 you send a letter and a brochure? Is there enough budget allocated for this channel? For processed fruit and vegetable companies, there is an effective solution: a telephone call, followed by an email. A telephone call allows you to personally give a brief introduction about 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?

Make use of the USP you created (discussed in the previous chapter). Do not randomly call companies from your list and offer the same thing to all of them. Focus on the specific benefits of doing business with you. If your target is a supplier of the foodservice segment, for example, you can offer them specific packaging solutions (such as canned fruit packed in 5-10 kg cans or juices packed in bag-in-a-box). Before you pick up the phone, collect as much as information as possible about your potential buyer. Information about future plans and activities gives hints on 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. The most common case is to offer a sample of the product. Here you must be very careful that the sample represents the standard quality that you can always deliver. Do not offer samples that are above your standard quality. The next step could be to provide a free 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 might be located in your own country or your target market, or they can perform support activities on an international level. Some of those organisations (such as CBI) have customised export promotion programmes 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 Promotion of Imports from developing countries](#) (CBI). A government funded organisation that supports more than 800 entrepreneurs to become 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 policy makers 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. They 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 support 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](#) (EUN), founded by a commission of the European Commission. Aiming to help companies of all kinds of products and services to innovate and grow internationally. You can check if your country is a [focal point](#) for EUN.
- Development agencies from Scandinavian countries are 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 and can help connect with potential partners worldwide. You can ask for business advice and even rent a space for business meetings.

Although the mentioned BSOs can help you in your export activities, you should always start by checking the possibilities for support in your own country. Organisations such as export promotion agencies, chambers of commerce or embassies that your country has in your target markets can help you with promotional activities. Also, some sector specific associations deal with export promotion activities (such as organising mutual stands on exhibitions and trade fairs, organising export missions or doing market research for member companies).

Aside from BSOs, a lot of market support and relevant data can be found among specific sector associations. In order to fully benefit from those associations you (or your sector association) must become a member. The most relevant organisations for the processed fruit and vegetables sector include the following:

- [European Fruit Juice Association \(AIJN\)](#): umbrella association for all European industries with an international membership.
- [European Association of Fruit and Vegetable Processing Industries \(PROFEL\)](#).
- [Frucom](#): the European Federation of the trade in dried fruit and edible nuts, processed fruit and vegetables, processed fishery products, spices and honey.
- [European Snacks Association](#): representing European savoury snacks producers and traders including edible nuts.
- [International Nut and Dried Fruit Council \(INC\)](#).
- [International Fruit and Vegetable Juice Association](#).

Tips:

Establish personal contact with the staff of export promotion organisations located in your country. This makes it easier for you to understand the support services, and they can even give suggestions on how to improve them.

Check if there is a diaspora organisation for your country located in Europe. A 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 for your company and potential buyers.

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

Do not forget to contact local organisations within your country. Local establishments, such as regional chambers of commerce, regional development agencies or business support offices in local towns and districts, can also provide contacts and include your company in export support projects. Specifically seek the help of commercial representatives of your country's embassies in your target markets.

7. Find instant help in our pragmatic studies

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

Tips:

Read the [European market analysis studies](#) about various processed fruit and vegetables products. You will find useful data about product specifications, the markets with the best potential and much more.

Consider [contacting CBI](#) and asking for help, or even proposing new studies or programmes that can be developed.

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

Read our [Tips for Organising Exports](#) of processed fruit and vegetables to Europe to find practical tips related to logistics.

Read our [Tips for Finding Buyers](#) on the Processed Fruit and Vegetables 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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