

ADVERTISING FEATURE

Export strategy specialists



Najib Lawand, director of Export Connect, which provides specialist export advisory and support services.

Overseas market insights spell success

Australian export earnings are on track to reach record levels by the end of this financial year, with federal government estimates showing they will come close to reaching \$300 billion.

It's a remarkable achievement considering the ongoing economic impacts of the COVID-19 pandemic, and as many Australian exporters contend with widening import restrictions being imposed by China, our largest trading market.

The trade boom is largely being driven by surging demand for Australian mineral resources, particularly iron ore, oil and gas energy resources and agricultural commodities.

Yet, Australian Bureau of Statistics data show 61 per cent of Australian exporters are actually small businesses.

According to the ABS, these small businesses typically have an annual turnover of \$700,000, exports valued at \$30,000, and have a single export market.

And it's the latter point that exposes a weakness for many Australian small business exporters – that they are effectively putting all their export eggs into one international market.

If trading conditions change suddenly, as has been the case recently for some Australian businesses exporting to China, the impact can be considerable and the need to pivot into other overseas markets becomes urgent.

To do this successfully requires having a good understanding of the new market, the right market strategy and a thorough market entry plan. Without this, the costs can be considerable and the risk of failure is great.

Najib Lawand, director of Sydney-based Export

Connect, points out that many businesses are too dependent on export sales in a single overseas market, and on a small number of customers, which increases risk.

"Companies now not only need to diversify export markets, but it's also around having more trading customers to grow sales more broadly to offset the risk of losing sales," Lawand says.

But breaking into new markets isn't an overnight process. It can take many months of negotiations to lock in the right export opportunities.

What's more, traditional entry channels such as international trade shows and exhibitions have largely been halted due to COVID-19 and global travel restrictions.

Lawand says finding the most appropriate markets, having the right connections and people on the ground, and conducting extensive market research and competitor analysis, is more important than ever.

Export Connect undertakes detailed market research for clients, accessing data from a wide range of current and relevant sources.

"We analyse and synthesise that information and present it to our clients in an easy way to allow tactical decisions to be made," Lawand says. "We look at our clients' product portfolio and review the economic, demographic, consumer trends and growth prospects of markets that present good opportunities for them."

Export Connect then delves deeper to assess the size of the category their product is in, and the growth prospects and trends for that category.

"We look at the channel trends, because some

"[Export Connect's new portal] will become like a library that food and agribusinesses can come to and get all the industry specific tactical data and information they need in the one spot, which is something the industry has been crying out for."

Najib Lawand

companies are suited for supermarkets, some are suited for food service, and some for ecommerce, while some can go across all three," Lawand says.

Export Connect then undertakes more granular research, including in-depth competitor analysis and a broad examination of product distribution prospects.

"It's necessary to review the competitors that companies are going to be facing in a market," Lawand says. "That includes understanding what competitor products look like, how they are packaged, what product claims they have, which countries they were manufactured in, and their position in store."

"It's about evidence-based exporting. We send our people on the ground into supermarkets to get this data, and also review food service providers and all the main ecommerce platforms in the market."

"Then we develop market specific pitches to the trade buyers, because we now have all the data to be able to explain to the buyer why a brand deserves to exist in the market and why they should invest their time and money in working with the owner to sell that product."

Export Connect, which provides specialist export advisory and support services to hundreds of Australian food and agribusiness exporters, will be launching an online portal for businesses in June that will provide detailed market and competitor overviews, and trade data, along with capability building videos and tutorials.

"Businesses will be able to subscribe and get information to understand what they need to be successful in exports, and which markets will present the best export opportunities for them, so they can start dipping their toes into that space," Lawand says.

Export Connect is also talking with various federal and state government agencies and departments, as well as industry associations, about hosting their content on its new portal, too.

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