



IMPLEMENTATION OF THE SPANISH OLIVE OIL IN THE GERMAN MARKET (BADEN-WÜRTTEMBERG)

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Abstract

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How to carry out a healthy life? That is one of the most googled questions in internet. Undoubtedly this trend has become one of the most remarkable issues in today's world. If we relate this with the fact of using butter instead of olive oil, it's clear which of both is much healthier. That is what I have realized during my stay in Germany. German people are used to cook with butter rather than with olive oil, even though, it is generally known butter is less beneficial for health. Reasons such as the price set, the quality of the olive oil traded (far from the commercialized here in Spain), and the relative high price in comparison with substitutive products, are elements which lead to a product that is not well-implemented in German market.

My investigation will consist on set out and design a viability plan regarding to the implementation of high quality olive oil in German market, by conducting the appropriate studies with the aim of introducing the product the best way possible, taking the premise of "healthy life". Accordingly, a potential competitors' analysis will also be carried out, searching the best distribution channels and government subsidies, in order to smooth, accelerate and enhance the importation of high quality olive oil to Waden-Wutemberg area. And, in general, taking the most realistic elements and facts which can guarantee the success of the project.

KEY WORDS

Healthy life, Olive Oil, implementation, exportation, distribution

Preface

The following project aims to aid all that spanish companies and entrepreneurs with the objective of correctly implementing their products in Germany, more specifically in the Baden- Württemberg region. For this reason, this project is dedicated to them.

I would also like to give special credit to the Hochschule Heilbronn that has put to my disposal all the necessary tools, information and resources to carry out this project successfully and in particular to my tutors Dr. Professor Antonio Juarez and M.A. Anja chan. Not to forget are all my colleagues, my family and collaborators, that have helped me in the information gathering process and supported me during my research.

I would like to express my gratitude towards **Cooperativa el Balcón del Guadalquivir, La Baeza, BRAVOLEUM (Hacienda el Palo) and Cooperativa AYR** that have given me all their support and necessary means to perform the analysis in the most accurate way possible in order to obtain realistic and useful outcome.

Finally dear reader, I sincerely hope that this project can be used as guidelines for future and present market implementation strategies in the challenging German market, as well as a source of critical thinking for the further development of this topic.

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2. - Introduction

The olive oil, also known as “liquid gold” (*oro líquido*), is one of the most important products in the agro-food sector in Spain. The olive oil represents more than a simply crop, since in many regions is the first economic activity in that area. In fact, olive oil exports imply more than 0.3% of the Spanish GDP (Statista, 2017). Furthermore, Spain is the country within more olive oil is produced, not just in Europe but all over the world.

Some of the olive oils produced in Spain are denoted as extra virgin olive oil and are protected by “designation of origin”. This could be defined as: “the criteria necessary to determine the national origin of a product. Its importance is explained by the fact that the duties and restrictions applied on importation may vary according to the origin of the imported products”. (WCO, Website). It protects products of agricultural origin, with great reputation, which are object of imitation and usurpation, what implies unfair competition. Additionally, these quality systems involve the recognition of products of a superior quality, which are the result of their own and differential characteristics, due to the geographical environment in which they are produced, processed and elaborated, being subject to a process of controls that Guarantees that are certified.

Nevertheless, it is not Spain but Italy the one who takes credit over this olive oil quality and production. It is the well-known “made in Italy” olive oil the one which is sold by Italy, even though it is rather Spanish. Sometimes it is even 100% Spanish. We could say that this olive oil comes by blending original Spanish oil. Italy is the country that imports most Spanish oil but not to consume it, but to take advantage of added value and resell it (Statista, 2017).

To sum up, Italy acts as a customer as well as a competitor, which on the one hand harms the market because it sets a price higher than its original value and benefits from that surplus, and on the other hand it harms the brand “Spain” by pretending that the oil is pure from Italy.

During my stay in Heilbronn (Germany), I visited three of the most relevant supermarkets: Lidl, Aldi and Edeka.

In the first two I have not found any Spanish extra virgin oil brand, only Greek and especially Italian. It is important to highlight that in both supermarkets there was little variety of oils, set at a reasonable price, according to the market segment to which both chains are directed. On the other hand we find the Edeka supermarket. First thing we notice when entering this supermarket is a price difference in relation to the previous two, which lets us glimpse a different type of customer or target. There are greater range of products among which oils stand out, for which they have an entire shelf dedicated. However the amount of olive oils with Spanish brand remains minimal.

The question is clear: being the Spanish product same or superior quality in comparison with Italian, why Spain does not directly take a cut of an own product and permits others to do so? There are several reasons because of this situation persists over the years.

On the one hand bulk sales, that is, the competitors of Spain, buy the Spanish oil directly from the factory at a low price (cheaper than to produce it themselves), they bottle it and sell it as if they were their own products. They take advantage of Spanish farmers who have not the necessary means to trade in a deeper way with their products. For example, in 2015, the Spanish sells increase in 22%, however the profits decreased in a 2%. From just a few years ago, this situation is changing gradually into new Spanish brands but there are still a great amount of firms and cooperatives that continue selling unpacked and no brand.

Another important reason for this situation is the late incorporation of Spain into international competition. Compared to France and Italy, Spain has been introduced later to the European market, being this a disadvantage and triggering entry barriers difficult to overcome.

Moreover, the strategy taken, based on prices instead of developing product quality. We can link this one with our first cause, as producers prefer to sell a high quantity of olive oil at a low price rather than creating a brand and launch a product in an international market, process which is more complex and implies more investment. The problem is that Spanish firms do have a set of core competences that allows them to achieve a competitive advantage, however they are not exploited. The quality of the oil, the varietal climate and region which

determine unique different tastes, and the biggest production which allows to take advantage of cost of scale; are some of them.

In addition, there is a lack of investments in brand and less institutional support than the one received by others Countries. Even though nowadays Spain is focused on an institutional operation known as “*Marca España*”, with the aim of attracting investors and tourists to our country, it seems that Spanish firms have to face this internationalization alone. This is reflected in a survey realized to 1.385 directors (*Estudio de Internacionalización de Empresas Españolas*). The results were that 73% of CEOs established that the institutional labor for promoting and helping their country companies is rather few, and doesn't affect success or failure. In addition, some of them proposed the enhancement of activities such as commercial promotion (like abroad trade fairs), exports financing and remove administration barriers.

On the other side, the Project is focused on a country that have many clues that make us think that can be a serious potential client for Spanish product: The German market.

Germany is not a country producing olive oil but it is the third EU country that imports more oil in terms of volumen (see Annex). Reports predict that this demand will continue with an upward trend in the coming years, reason why a market in potential growth is expected.

However, even is one of the most importing this product, Germany falls below the EU olive oil consumption average. From this we conclude that Germany does not share with the southern countries of the EU “the Mediterranean diet” and therefore the consumption of extra virgin oil (central ingredient of this diet). It is noteworthy that of the volume of the import of oil a Germany, 75% comes from Italy, although this may well be mixed or directly Spanish.

Therefore two difficulties arise when it comes to the implementation of the olive oil, produced and packaged in Spain, in the German market. On the one hand the Italian competition analyzed previously, and on the other the few knowledge and practice of Mediterranean diet among German consumers. Therefore, in

order to be able to correctly implement the product, it is inevitable to create a brand backed by a Spanish designation of origin that supposes a real threat to the Italian product. It would also be advisable to publish the product, the diet and cooking habits, in order to encourage the purchase and consumption of Olive oils in German territory.

My investigation will consist on set out and design a viability plan regarding to the implementation of high quality olive oil in German market, by conducting the appropriate studies with the aim of introducing the product the best way possible, taking the premise of “healthy life”. Accordingly, a potential competitors’ analysis will also be carried out, searching the best distribution channels and government subsidies, in order to smooth, accelerate and enhance the importation of high quality olive oil to *Waden-Wütemberg* area. And, in general, taking the most realistic elements and facts in order to guarantee the success of the project.

3. - Qualitative methods

It is true that the information written above is very important for understanding the current problem and business opportunity in the German market.

Nevertheless, to provide a more accurate and specific vision of this situation, several experiments have been conducted.

This purpose will focus on the collection and analysis of qualitative data. The nature of this research makes this kind of data more useful for the project. It will help to understand the perception and knowledge of German people about Spanish olive oil and its uses, their potential and current situation among other products such as butter or sunflower oil.

3.1. - Methodology

First of all, two different methods were conducted at the time for different purposes.

On the one hand, we conducted an olive tasting in two places. First one was made in the city center during the whole day. The aim of this was to take advantage from a quite big crowd of passers-by in this area of Heilbronn. The people subjected to the experiment were supposed to be adult people, however because of Heilbronn's university nature, it was inevitable to get an important student influence in our results. The second place chosen was the University, here the testing was mostly made by students, and however some professors and other personnel also participated.

The experiment consisted on setting a stand with three different products: German butter, German sunflower and Spanish olive oil. Butter and sunflower oil, were chosen as they represent the main substitutes of olive oil in the German market when cooking. It is true that Spanish olive oil is supposed to compete with Italian and Greek oil but it was decided not to include them as it might have been difficult for some participants to feel the difference and that is not the main aim of this project.

The three products were presented with a slice of bread in three different dishes. The people had to taste in the initial order, that is, butter, sunflower and olive oil, and afterwards give an opinion about it without knowing which product was each one.

On the other hand, a survey was designed to test the knowledge of German people about Spanish olive oil, Mediterranean diet, cooking habits and alimentation awareness. The survey included some questions about the testing. A group of 121 people participate in both experiments and were given information about olive oil and its benefits and uses.

It should be pointed out that many people decided to do the tasting but not to answer the short survey so even we had a much higher number of people, they will not be taken into account due to lack of reliable information.

Apart from these both methods, several interviews and visits to olive oil manufactures in Spain were made.

First, two olive oil firms were contacted. Both firms are located and produce in Jaén, their olive oils are high quality and provided with denomination of origin. A set of questions were made through email regarding assortment, costs of production and distribution.

Additionally, I visited one olive oil mill in Valencia. During the visit I was shown the plant, all the machines and processes from the deposit of the olives, to bottling the oil.

Finally, two interviews were made to a supermarket and to a trade business respectively. The aim of this was to set two different channels and retailer to import to.

3.2. - Results

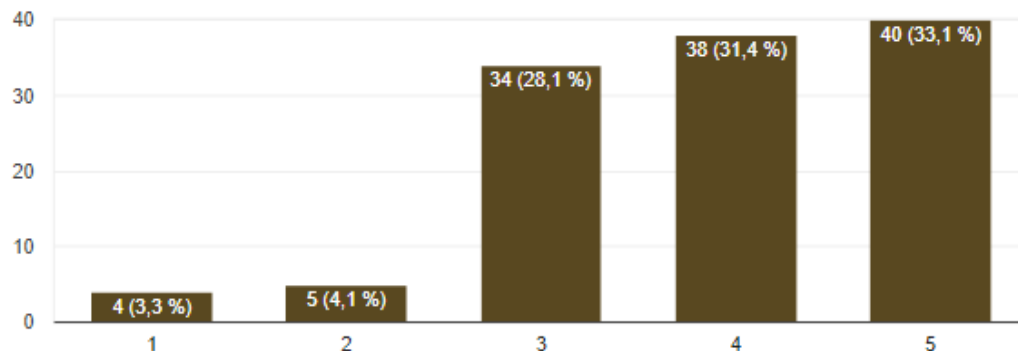
The following section will analyse the results obtained from the methodology employed before.

3.2.1. - Survey

The study aimed to evaluate the impact of the Spanish extra virgin olive oil over the future potential consumers. For this purpose, several questions were asked to an adult population, from students to elder people. The differences in their economic situations will be addressed at the end of this section. During the study, the product was presented to the participants while inquiring them to taste it.

1.- Alimentation awareness/ Alimentationsbewusstsein

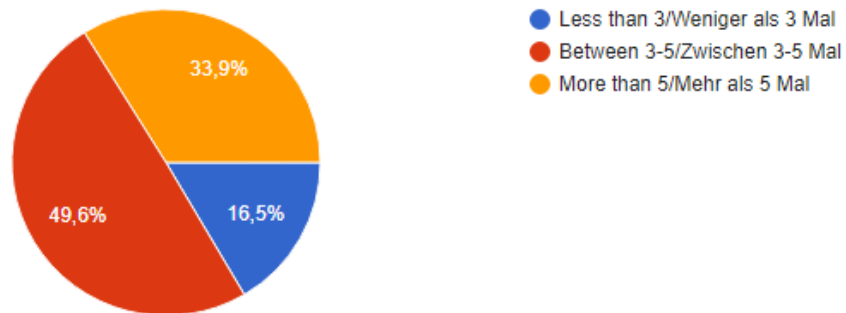
121 respuestas



The following image shows the shopping behaviour of the different customers in relation to a generic product. Rated from 1 to 5, being 1 the focus placed on the price or savings and 5 more inclined to the quality of the product and the benefits it can provide. We can clearly see a trend towards the quality approach.

2.- How often do you cook weekly?/Wie oft kochen Sie pro Woche?

121 respuestas

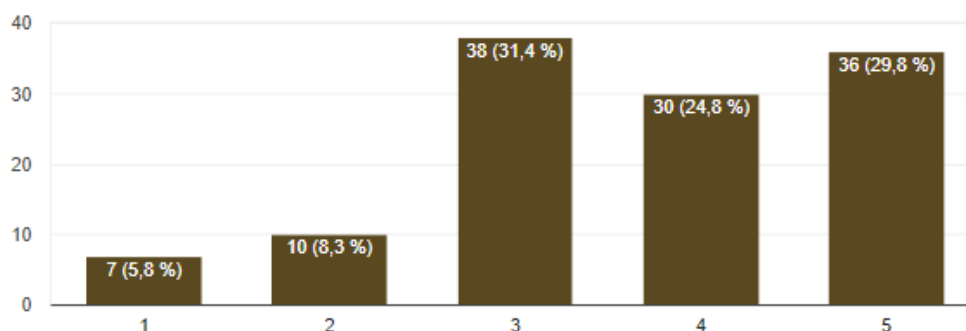


The second question aims to address the frequency at which the different customers are used to cook their own dishes at home. The evaluation of such habits is directly related to the consumption of olive oil taking into account the necessity of a specific type of fat to prepare most of the commonly elaborated meals, whatever they are animal or vegetable-based.

Analysing the results we can set the mean rate of home cooking in 4 out of 7 days per week for the totality of the sample taken. This conclusion shows how the interviewed prefer to cook at home, which, considering the vast majority of the surveyed are students, shows a clear inclination towards a given lifestyle.

3.- My eating habits are close to the Mediterranean diet/Meine Essgewohnheiten sind nah von der mediterranen Ernährung

121 respuestas



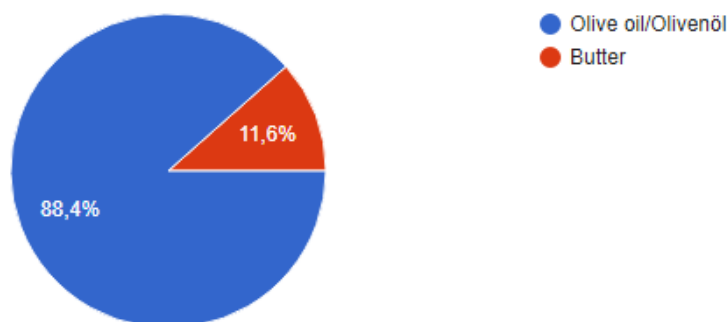
The previous plot shows the cooking practice of the German nourishment in relation to its neighbours in the Mediterranean. It must be noticed that when presented this interrogation, most of the participants asked about the basics of

such a diet. Being mainly based on vegetable-based olive oil as a central ingredient, accompanied by products such as fruits, vegetables or cereals, and the equilibrate consumption of fish and meat, this diet is considered as one of the most healthiest and balanced existing nowadays.

After the consequent explanation, we obtain a tendency towards it, represented by numbers 3, 4 and 5 in the figure. Nevertheless, it must be pointed out that the follow up of this diet in a daily basis is nothing but complicated outside the Mediterranean area due to the lack of supply of basic products not being commercialised in the German area, nor having the same fresh condition as in its origin.

4.- Olive oil or butter/Olivenöl oder Butter

121 respuestas



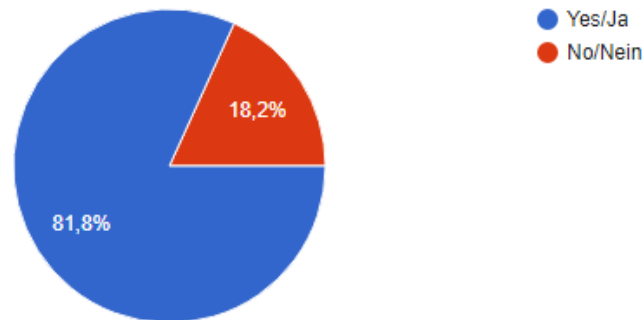
As abovementioned, the cooking practise involves the use of either vegetable or animal-based fat. This question clearly demonstrates the widespread use of olive oil above butter.

Must be highlighted the fact that many of the surveyed answered both of them making a noticeable distinction between the use of each product. Being the olive oil considered as a more valuable product compared to butter, the prior is mainly used for dressing salads or giving a special taste to already prepared meals, while butter is used in higher quantity to precisely cook the ingredients.

Others just were not aware of the fact that olive oil can be actually used for preparing the real meal, cooking the ingredients at high temperatures without getting burnt.

5.- Do you know the benefits of olive oil?/ Kennen Sie die Vorteile von Olivenöl?

121 respuestas



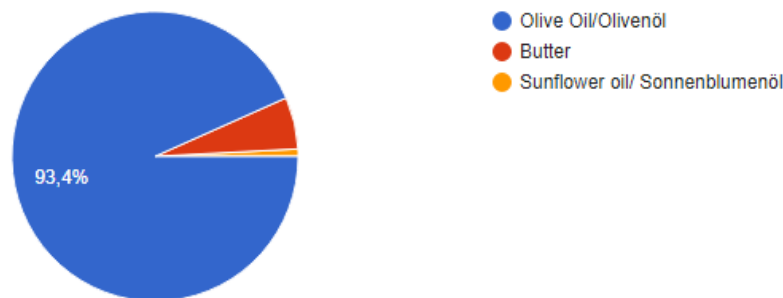
Noting that a detailed explanation was needed to be given to several participants regarding the use and characteristics of the good itself, most of them did not quite have knowledge of its benefits. The results here shown reflect the answers given after such explanation. We can therefore see how the vast majority considered that olive oil is a really beneficial product in all its aspects.

3.2.2. - Experiment

Once the questionnaire had been completed, each participant was asked to perform a quick experimentation. As described before, it consisted of the testing of three different samples of butter, sunflower oil and olive oil. The following graph reflects the results obtained.

1.- Which of these products you found the tastiest?/Welche dieser Produkte fanden Sie am leckersten?

121 respuestas



We can observe the inclination towards the taste given by the olive oil with respect to its direct substitutes. Barely no one preferred the sunflower oil, being the taste of the butter somehow enjoyed.

3.2.3. – The Olive oil mill

The visit was made to the “AYR Cooperativa” in Sierra de Espadán, Valencia. They produced Serrano’s variety olive oil, which is quite similar to picual variety. It was a small but modern mill, its record production was achieved last year with one tone of olive oil. The mill was by that time inoperative (due to off season), however most of the machines were still set. The representative explained all the process from which the olive was transformed into the final oil. Harvesting, milling (extraction process), Racking and filtering, and bottling were the main steps to produce the extra virgin olive oil. She also provide information about the producing season and other details regarding price, transportation costs, assortment and bottles which are taking into account in the subsequent sections of the project.

In general, there is a complex process for producing a high quality olive oil. It needs a big investment to build the plant and buy all the machines and tanks. The procurement of a high quality product relies on many factors such as whether conditions or the production of the trees. It is difficult to estimate or foresee the production from one year to another because of these unexpected situations.

3.2.3. - Interviews to potential retailers

Concerning these interviews, we want to set that there are different paths when it comes to how to export.

The first interviewed was Lidl, a chain of supermarkets belonging to the Schwarz Group which has recently achieved a new record in the market share due to the inflation (Financial Times, 2017).

The procedures to directly trade with a big supermarket are far from simple. The main requirements in terms of quality and safety Germany demands are the same as the European Union ones, which are going to be explained in following chapters. In addition, these big stores follow their own guidelines apart from the certificates obtained by the exporting company. They analyze the product in their labs and check its properties and attributes to ensure the product benefits for the health.

Furthermore, in order to introduce the good in the supermarket, it has to be “better” than the existent ones. By better they mean it has to have a higher quality and advantage in costs. Moreover, regarding to olive oil, it must be taken into account the fact that Lidl has its own mills because of the efficiency that it implies. Through vertical backward integration, the company can achieve increased control in its value chain in a more profitable manner. Additionally, the firm can obtain a higher cost management as it has the power to choose its own distribution process, production, enables to mark-up to earn profit.

It is important to know the balance between the advantages of supplying to a supermarket and retailers applied to our business. The fact of having a big retailer with high influence in the market and high influx of people, can suppose a great help for industry penetration.

The other company that we contacted with was Riel Fruchthandel, a company based on Kiel, Germany, which is devoted to the imports of natural, short-life consumer products from Spain and Morocco.

We talked to a spokesperson in representation of the company, as the origin of the product comes from the same place. In the first place, we coincided that the type of product is different, as the goods they commercialize require being fresh in the hands of the customer, and oil is a product that is much better sustained through time.

First of all, the necessary paperwork to carry out these operations would be better provided by an exporter. However, there are some common certificates that must be in order, such as the ones regarding the health standards and certificates about the analytics of the product, as well as the Global GAP certificate.

Regarding the places to sell, the spokesperson told us not to focus on a single region such as Baden-Württemberg and try to commercialize it all along the country, as the transport costs do not vary so much, as the parameters are the same.

As well, she provided us with valuable information on the distribution channels. In general terms, these channels are Spanish products importers or companies that are able to supply the chain or directly to the chain (if the product counts on a big volume of shipment and price aggressiveness). In any way, it depends on the amount and/or the quality of the product that is intended to sell.

How to do access these channels is also a matter of concern, because everyone wants to sell; you need to offer a product that the distributors find interesting, either its quality or its price or even both.

In general, this second type of channel represents different advantages to our product. Unlike it doesn't have the size and influence of a big retailer, it knows and can access easier to information of the market.

4. - Market Analysis

In this section, the project will go through the German market appraisal. To make this evaluation, some tools such as SWOT and PESTEL analysis were used. In addition, analysis of the industry, competitors and important legal requirements will be presented.

4.1. - PESTEL Analysis

The analysis of strengths, weaknesses, opportunities and threats of the German olive oil industry, provides really useful information. However, in order to complete previous analysis an overall vision of the German market, a PESTEL method will be provided. This method will analyze in more general terms the situation in this country (Politically, economically, socially, technologically, environmentally and legally). However, only those elements related with the topic will be pointed out.

Regarding politics, Germany is one of the most influential countries in Europe and in the world. Angela Merkel heading the conservative Christian Democrats party and coalition, that involves center-right and left parties, is the most powerful woman in Germany and Europe according to Forbes magazine. However, she is going through difficult situations in last years: management of Greece crisis, some controversial austerity measures, Brexit and refugees' asylum. Nevertheless, the government is one of the most stable in Europe according to the World Bank index. In foreign policy Germany has an open and welcoming attitude towards FDI¹, that is, German business activities are free of regulation restrictions and the law generally makes no distinction between national and foreign firms.

Secondly, when it comes to economic situation, despite the challenging economic environment within EU, Germany remains as one of the world's

¹ The legal framework for Foreign Direct Investment (FDI) in Germany favours the principle of freedom of foreign trade and payment transaction as laid down in the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz, 2017*).

powerful economies: a strong business and investment freedom, long-term competitiveness, entrepreneurial growth, openness to global commerce, well protected property rights and regulatory environment are some examples that support this fact. Germany is positioned 26th in 2017 *Index of Economic Freedom* ranking (Heritage, 2017). The next table sums up the most important indicators of Germany's economy:

Indicators	2015	2016	2017	2018
GDP growth (% , yoy)	1,7	1,9	1,6	1,9
Inflation (% , yoy)	0,1	0,4	1,7	1,4
Unemployment (%)	4,6	4,1	4,0	3,9
Public budget balance (% of GDP)	0,7	0,8	0,5	0,3
Gross public debt (% of GDP)	71,2	68,3	65,8	63,3
Current account balance (% of GDP)	8,5	8,5	8,0	7,6

Source: Economic forecast for Germany (ec.europa.eu, 2017)

As shown in the table, after a strong growth in GDP in last years, German economic activity will strengthen further in the future. This goes hand by hand with an improvement in industry and construction and consumer confidence. Additionally, a growth in public expenditure but remaining a positive public budget balance and favorable financing conditions are expected to sustain this GDP rate. In terms of unemployment, net job creation is expected to continue, and the new arrival of refugees is not affecting significantly employment dynamics. The growth in the inflation is due to an increase in oil prices as well as the increase in salaries and domestic demand. Moreover, there is a gradual growth in GDP per capita is above EU-28 average and the AIC² is the second highest in Europe. Finally, Germany gets above average EU ratings when transport infrastructure (European commission, 2017). It is true German roads have gone slightly down but stay well above average.

² Actual Individual Consumption (AIC) is an alternative indicator better adapted to describe the material welfare of households.

After talking about the economic part, we move to socio-cultural one. Germany is the largest country in Europe in terms of population with more than 80 million inhabitants. Main features of its society would be modern and multicultural. Nearly 10 million people have a foreign passport and 17 million people in Germany have an immigrant background (make-it-in-Germany, 2017). Because of Germany's diverse population, the country's cuisine is in a process of constant transformation. What's more, culinary traditions differ from region to region and are therefore every bit as varied as the assortment of beer and bread on offer here (make-it-in-Germany, 2017). It is also important to highlight that there is a special focus towards organic foods certified with strict standards. In addition there is an up growing trend healthy food and awareness of healthy diets among German population.

Germany backs national science and technology in many ways. Apart from the really well-known automotive and pharmaceutical industry, Germany provides funding for broad European research and development. It also offers scientists and laboratories.

About the environmental part, Recycling is Germany's contribution to the global battle for the environment. The country has several initiatives regarding this topic and it is winning the fight against the growing garbage heaps. One of them is "The green Dot", consistent on a fee to be paid by manufacturers and retailers for the packaging on their products, the larger the package the higher fee paid. Another initiative is the "p-fund", one of the first things you notice in Germany is that you can get money back for returning your bottles. Depending on the bottle, you may get 8 to 25 cents back. You can return them on supermarkets and at the Supermarket, you will then receive a receipt, which you can exchange for money in the cashier or deduct from your shopping. In general Germany is number 1 in the world when it comes to recycling, according to data provided by OECD³.

And, finally, it is important to mention the legal part. As one of the most developed countries, Germany holds thousands of business ranging from small companies to big corporations. The German government is very open to the establishment

³ The organization for the Economic Co-operation and Development (OECD) is a group of 34 member countries that discuss and develop economic and social policy.

of all types of businesses – regardless of whether or not it involves a German or a foreigner. At this point there are multiple aspects to talk about, however just most relevant will be considered. First, taxes of major concern, which include trade tax and the value added tax, plus the income tax, solidarity surcharge and church tax. Then for business would also be subject to corporate tax. When it comes to import regulations, Germany created an “Import list” that includes goods for which for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. In terms of labour, Germany is currently one of countries with the lowest levels of unemployment and its employees benefit from protection and good working conditions, flexibility in working hours, compensation of overtime work and healthy conditions corroborate it (eurofound.europa, 2017).

4.2. - SWOT Analysis

SWOT analysis is a planning method that evaluates four elements in the industry we are focused on. It will help to highlight the most important aspects of German olive oil industry. As said before, it is divided into four elements (strengths, weaknesses, opportunities and threats) that analyze the industry from both internal and external point of view.

Strengths	Weaknesses
<ul style="list-style-type: none"> ● High quality product to be imported and different from competition ● Many uses and healthy properties 	<ul style="list-style-type: none"> ● High price ● Olives tied to weather conditions
Threats	Opportunities
<ul style="list-style-type: none"> ● Great range of other brands from Italy and Greece ● Entry barriers ● High quality product difficult to appreciate for the customers 	<ul style="list-style-type: none"> ● Germany, is non-producer but highly consumer of olive oil ● Upward trend in following Mediterranean diet habits ● Lack of Spanish olive oil brands

Source: Own elaboration

4.2.1. - Strengths

The first component of the SWOT analysis is the product's strengths. As described in the introduction, Olive oil is a really valuable product in Spanish agro-food culture. Therefore, Spain has carried many advances regarding the quality and the production process that have dealt to a highly pure product. A consequence of this evolution is the birth of the refined oil taste.

The following table reflects the main components of olive oil, sunflower oil, butter and margarine in terms of acid:

	Saturated Fatty Acids	Monounsaturated Fatty Acids	Polyunsaturated Fatty Acids
Olive oil	14	72	9,2
Sunflower oil	9	20	62,8
Butter	48,3	23,4	1,9
Margarine	14,3	15,3	39,3

Source: *Fundación Española del corazón*

First of all, it is important to make the distinction between monounsaturated Fatty Acids and Saturated Fatty Acids to understand the previous table. Ingesting a high volume of Saturated Fatty Acids is related to the appearance of cardiovascular diseases. Nevertheless, Monounsaturated Fatty protect us from the appearance of those types of illness.

Related to the information that the table provides us, we can observe that butter has a high value of Saturated Fatty Acids and a less value of Monounsaturated Fatty Acids and Polyunsaturated Fatty Acids. Furthermore, Sunflower oil and Margarine have a high value of Polyunsaturated Fatty Acids and less of Saturated and Monounsaturated.

As a conclusion, Olive oil has the better value of Monounsaturated Fatty Acids and less value of Unsaturated and Polyunsaturated. This reflects that in components Olive oil is the better option to have a healthy lifestyle.

4.2.2. - Weaknesses

Regarding the weaknesses of our product, we can state that two of them come

first constituting a competitive disadvantage. There is an important work behind this outstanding product that is the complexity of the processes, requirements of high technology as well as technicians, what leads us to a high cost of production. As the reader might know, high production costs are transformed into a steady increase of those costs during the whole value chain process through the value addition in each stage, this leads to a high price that is finally charged to the final consumer.

In any way, the cost analysis will be found all along the next pages, inside the chapter “Pricing Strategy”.

Olive oil characteristics are considered to be affected by agronomic (cultivar, environment, climate) and technological factors. Climatic differences and seasonal weather fluctuations (temperature and rainfall) may influence the physiological behavior of the olive tree and consequently the fruit ripening process modifying both the amount and the qualitative characteristics of oil in olives. That is the main reason why forecasts and commitments with the purchasers of a fixed amount are subject to uncertainty.

4.2.3 - Opportunities

When deciding to introduce a product in a new market, an analysis about Opportunities and threats should be carried out. Germany is one of the most important countries within Europe because of the population, economy and political influence over the rest. However that does not guarantee the success of the product. There are several factors that might favor the introduction and implementation of olive oil into the German market though.

First of all, Germany is the main non-producer but is the olive oil consumer country in European Union (see table consumption in the annex).

Additionally, there is an upward trend in the following of the Mediterranean diet, in which olive oil is the main ingredient, in Germany (see survey results).

Furthermore, there is a deeper focus on the health benefits of the product rather than its price from consumer's perspective (see survey).

4.2.4 - Threats

Although this market has plenty opportunities for the success of this Spanish product, there exist some risks that need to be taken into account.

This includes a big competence within this industry in Germany. Germany as a great consumer country of this product holds currently a wide range of olive oil brands and suppliers, especially Italians (oliveoiltimes, 2013).

Moreover, the price is an important factor to be concerned about. As will be explained in pricing chapter, as a premium good, the product will be introduced with a high price in comparison with competition.

The bargaining power of buyers will also be an entry barrier for our product. Competitors that are already established in the market have a competitive advantage in terms of costs and economies of scale. That is why it will carry a huge effort to get a good agreement that enables us to compete (in same conditions).

4.3. - Industry Analysis

Despite Germany's low per capita consumption of olive oil in relation to Mediterranean countries, it is a very important and growing market for high-quality olive oils (Ministry of foreign affairs, 2015). In fact, Germany is the largest European non-producer but consumer of olive oil.

Therefore, Germany imports this good from different countries:



As can be noticed in the previous graph, Germany mainly imports from Italy. The trend is increasing and even though Spain increased too in last years, there is still a great difference from Italy.

The consumption of olive oil in Germany is high in comparison with northern European countries; however it lies far from the average because of the huge consumption of southern countries such as Italy or Spain. In addition, Germany consumes and mainly imports virgin olive oil rather than other refined oils. This may well be due to the concern of the German society towards healthy food.

As in all European countries, authenticity and the composition of the product are important issues in Germany. Currently there is a great amount of reports that reveal the fact that many oils sold as extra virgin doesn't fit with the composition define by the legislation, which is strictly monitored by customs authorities and buyers.

Although it is still a niche market, there is an increased interest in speciality olive oils among German and European consumers. For that reason, there exists a great opportunity for those olive oils with denomination of origin. The

points of sale are basically delicatessen shop or online retailers; however, there are some supermarkets which start offering this product (e.g. Edeka or Rewe).

There is also a growing trend towards ethical marketing in Germany. Fair trade certification⁴ is an opportunity for developing country suppliers as it can help them to distinguish their original sources. The main certifiers are Fairtrade International/FLOCERT, Ecocert Fair Trade and Fair for Life.

4.4. – Competitors and substitutes

Olive oil has a wide variety, many uses and it is produced in some countries around the world. For that reason we might find a great number of competitors in the market, however we will just focus on two main uses: cooking and dressing dishes such as salads. We will not focus on a concrete variety due to the insufficient information German people know about the product (see the survey).

Then the main competitors of the product will be the product substitutes when cooking or dressing the dishes such as the butter or the sunflower oil, and the Italian and Greek olive oil brands, established in Baden-Württemberg region in Germany.

4.5. – Legal requirements

Specific criteria for olive oils must be taken into account before selling them to European Union customers. This criterion includes product characteristics, quality and purity. That is why, in this section the sanitary certificate will be discussed.

First of all, the sanitary certificate is a document issued by an authorized governmental inspection agency that confirms the facility or cargo has been

⁴ Fair trade certification is associated with a positive social impact on the producing country and with a fair pricing system for producers

inspected and meets the minimum requirements. These are generally required for meat and food processing facilities, seed manufacturing facilities and any food, seed or livestock transported across international boundaries (businessdiccionary, 2017). This certificate guarantees the health of the exported food product and also states the necessary information about the identification, origin and destination of the product.

In Spain, companies trading with olive oil must have this certificate to ensure the quality and healthiness of the product. For that reason it is important to establish which requirements does European Union ask for. According to European Commission, Exports of plants and plant products to the EU must be accompanied by a plant-health certificate issued by the relevant competent authorities of the exporting country, undergo customs and phytosanitary inspections at the point of entry into the EU (border) and an importer registered number in the official register of an EU country.

In addition a common certification asked in Germany is Global GAP. It consists on an international recognized standard for farm production. It ensures food safety and traceability, environment, worker´s health, animal´s welfare and ICM⁵, IPC⁶, QMS⁷ and HACCP⁸ controls (globalgap, 2017).

It is important to highlight, that it depends on whether the retailer is a big supermarket or another intermediary, the requirements can vary. In fact, according to Rosa Carbonell, speaking on behalf of “Riel Fruchthandel”, supermarkets use to make their own analytics as an additional security measure.

⁵ Integrated Crop Management (ICM)

⁶ Integrated Pest Control (IPC)

⁷ Quality Management System (QMS)

⁸ Hazard Analysis and Critical Control Points (HACCP)

5. - Marketing Plan

This part of the project comprises everything related to the product offered, pricing strategy, place and promotion (4Ps). After identifying, through market research, specific customer needs, German market trends in an overall way, the olive oil industry including a SWOT analysis, competitors and legal, the necessary information was gathered to elaborate this section. Following this line, the methodology was also useful to provide more accurate information not only about the market but also about the project and its composition.

5.1. - Product

In the following, description relating to the product and its strategy in Baden-Württemberg are given. The chapter includes the position of the product, the description of the UPS, the assortment and pack sizes.

Before starting with the position, it is important to set that the extra virgin olive oils described from two manufactures from Jaen, Spain. Both produce Olive oil from a Picual and Alberquina variety.

5.1.1. - Position

The Olive oil represents the modernity of a long standing tradition that combines nutritional value and gastronomic qualities, and stands for what is essential in a healthy and balanced diet (Señoriodelrey, 2017).

Those values are reinforced by four origin denominations that represent Spain, more specifically Jaen.

The product positioning is telling the customer that the smooth texture and sweet, buttery taste is coming from Jaen´s olive groves. Additionally, the color represents the liquid gold, the fountain of great wealth and power. This name comes from the ancient Greeks who said that the goddess Athenea had created the olive tree. They did not use the olive oil just for cooking, but also as

perfume, anointment for the dead, soap, and lights. Therefore, the product is praised for its positive effects on health.

Following this line, the benefits of the extra virgin olive oils can be highlighted:

- It is the base of the Mediterranean diet, which is an Intangible Cultural Heritage of Humanity in recognition of its numerous healthy and culinary properties.
- It is rich in oleic acid, which is a monounsaturated fatty acid with beneficial effects on cholesterol, being a natural cardiovascular protector.
- It is rich in phenols, which is natural antioxidant preventing from cellular aging.
- It is rich in E and K vitamins; therefore it is beneficial for the skin, for circulatory system and from a proper blood clotting.
- It contains no sugar, protein neither salts.

In addition, the main uses for extra virgin olive oil are the following:

- Dressing and accompanying dishes like meat, fish, vegetables and salads.
- Dressing for pre-cooked dishes
- Good accompaniment for smoked meats and cold meats.
- Preservation of vegetables, meat and fish.
- Traditional mediterranean breakfast: olive oil with toasts.
- For stir-fries, stews and frying all types of food (Moreover, it keeps its properties and can be used for frying much more times).

5.1.2. - Quality

The overall aim is to provide high quality olive oil to German customers and to be seen as affordable luxury. The olive oil tends to be known in Baden-Württemberg for its quality, which would be higher than its competitors and at a similar price. To produce this good, facilities are equipped with the most modern

technology of control and automation, all aimed at obtaining a product of the highest quality, such as virgin olive oil and extra virgin olive oil (Olibaeza, 2017). The olives are selected in a tasting event, which is held every year, under the criteria of a judgment panel made up of professionals from the best tasting panels in the country (Jaén selección, 2017).

5.1.3. - USP

The unique selling proposition or value proposition, gives reasons why a customer should buy a product or a service. According to the USP matrix:

Value	more	More for more	More for the same	More for less
	the same			The same for less
	less			Less for much less
		more	the same	less
		Price		

Source: Hochschule Heilbronn, B2B

The buyer of the Spanish olive oil would obtain more value for a similar or slightly higher price. Because of the taste, its many uses and the benefits provided, the product has a unique feature that is valued by potential customers. When looking at the product range of the main competitors, it can be seen that their products are not completely virgin and healthy.

The bottles are usually made of plastic, which makes the product taste different. By buying the Spanish olive oil produced in Jaén, the customer ensures completely pure oil with no additives and a crystal bottle which maintains and keeps the original taste of the olive oil as it were just taken from the olive oil mill. In addition the denomination of origin and the awards obtained at an international level support this uniqueness feature of the product.

In comparison to the substitutes of the product, the sunflower oil and butter, the extra virgin olive oil stands out from them in many aspects. When talking about cooking, olive oil keeps at a higher temperature and does not get burnt. This can also be linked with the healthy benefits as the ones described in the previous chapter. The outstanding taste also distinguishes for the butter and sunflower and because of it, has much more cooking uses.

5.1.3. - Assortment

Regarding the variety and range of products offered, three different types of olive oil will be assorted: *Picual*, *Arberquina* and *Cornicabra*.

Starting from *Picual* variety, this is the most important variety. It accounts for 50% of the production in Spain, and therefore about 20% of world production (olivesoilfromspain, 2017). However it is basically concentrated in Jaen province and therefore not very widespread. It has fatty acid contents and antioxidants, 80% of it is monounsaturated oleic acids, that as said before, is an important factor when preventing cardiovascular diseases. In terms of taste, the oil tends to have more body, with a slightly bitter taste and a hint of wood. It is important to establish that this oil is best used in frying, although it is equally used in salads and gazpachos.

The second variety assorted is *Arberquina*, which is original from Arberca Lerida, but also produced in Lerida, Huesca, Tarragona and Zaragoza: South-east Spain. The *Arberquina* variety has a high content of linoleic acid and it tends to oxidation. For this reason this variety has to be stored in a cold dark place and it is not very recommended to use for frying but for dressing and combining with salads, vegetables, grilled fish and so on. The oil has a taste of orchard fruits and can be dense and fluid.

Finally *Cornicabra* will be the third type of oil. We can find the production area of this variety in Toledo and Ciudad Real. The oils produced with this variety have low linoleic acid content, approximately 5%, and high oleic acid content, about 77%, which make it ideal for the diet. It has a fruity flavour and it is mainly used

for dressing salads or stewed vegetables or even for main sauces such as mayonnaise.

In general, these three varieties offer will cover most of the production area in Spain, coming from different lands, due to Spanish diversity, and therefore different tastes. It can also be noticed that the three varieties complement each other because of the uses: two of them are more used for dressing the salads and to add flavor to already cooked or cold dishes, while the *Picual* one can be used for cooking and even for frying, due to its antioxidant characteristics that make the product do not get burnt at high temperatures.

It is important to point out the production times or seasons of the oils.

5.1.4. - Pack sizes and material

Many studies have established that glass or dark bottle is the best method of storage for olive oil and plastic containers can be considered one of the worst (UC Davis, 2017). As there are several benefits resulting from the use of glass bottles such as allowing the consumer to see the olive oil and examine its quality, blocking sunlight and does not seep into the olive oil itself, the pack sizes and material for good quality olive oil are switching from plastic to glass or dark glass. Moreover, glass is better choice for both food quality and eco-friendliness (University of Oklahoma, 2017). This is important because of the concern, as commented in the market analysis, German has towards recycling and environmentally friendly products. Additionally, due to the standard format size of other olive oil brands seen in the supermarket and in gourmet shops, three sizes will be mainly considered: Small glass jar of 250ml, glass bottle of 250ml and transparent glass bottle of 500ml.

To sum up, the materials and pack sizes offered will be chosen with the aim of picking up certain industry trend. The healthy life, the environmental awareness and the modern design are German market issues we are considering when offering the product.

5.2. – Pricing strategy

The next chapter contains the pricing strategy of the olive oil products in the German market. The strategy will be described through three main points. Firstly, price positioning in comparison to competition, secondly costs and finally price points per pack size.

5.2.1. – Price positioning in comparison to competition

Pricing is a crucial part when introducing a product into a market. Several factors must be considered. The first factor we are considering is the price positioning regarding competitors. The competitors influence in a big way your pricing decision; therefore you should carefully analyze their prices and products. However as the product offered is supposed to be different from competitors, the quality should also be considered in that price. Moreover, there is a psychological issue for the buyers regarding a too low price due to the relation price-quality, that is, more price implies more quality. There is another point that must be considered as well, which is the purchasing power of the target group we are focused on.

If we look back to our competitors, we can see they are Italian and Greek brands already working in the German market. The range of prices offered for bottles of 250ml and 500ml in the Edeka varies from 3€ to 8€. Therefore, the price of the Spanish olive oil we want to implement should not be far from that range of prices.

However, as the product stands for high quality, the Spanish olive oil will compete in high quality and high price sector of the market. As a premium good, the extra virgin olive oil should provide the potential consumer an added value from which he is willing to pay a higher price. As commented in previous chapters, the quality of the product is supported by the denomination of origin and the awards received by the oils we are trading with.

5.2.2. – Costs and price points

To set a price you should always be aware of your costs, according to the benefit formula $B=P*Q-VC*Q-FC$, a seller must set a price that should cover both variable and fixed costs, and still give you a contribution margin. Variable cost can be divided into several costs. First, the cost of purchasing the product to the olive oil mill will depend on the number of units purchased and several advantages such as economies of scale, that decrease the unitary cost per product as you buy a greater quantity, and price negotiation with the supplier.

The second costs to take into account are the distribution costs or shipment costs. This cost includes the process of transporting an item from one place to another. In case of the olive oil this would be transported in pallets and its cost will depend in the number of pallets selected and the origin and destination. Additionally, it includes the MAUT tariff, a toll for goods vehicles based on the distance driven in kilometers, the number of axles and the emission category of the vehicle (Spiegel, 2017).

In general, it is important to highlight that this project analyses the viability of exporting to Germany, however there exist several options depending on which type of retailer is selected. This affects in a great measure to our costs, that is, it is not the same exporting a great amount of product to a big retailer, such as Edeka, Lidl or Rewe; than to do so with a gourmet shop in a most selective and limited way. In the first case, logistics costs will be much lower than in the second place.

Following the same line, the business and costs are also different, as if you export to a big retailer the shipped quantity should be greater and unitary costs would fall down, while if the retail doesn't buy a big amount of product, the unitary cost would rise up.

Additional costs related to commissions and fees to intermediaries should also be taken into account.

In the project, the amount chosen is based on the scenario of introducing a product that is still not very popular in the market. Therefore the quantities are not very big.

In addition, we are considering two different companies to elaborate the scenarios: the first one offers a premium olive oil but with less costs due to bigger production, which allows them to set a lower price; the second one is the highest quality olive oil, which counts on a higher product quality, as well as a lower total production.

COST ANALYSIS	Scenario A		
	500 ml Frasca transp.	500 ml Marasca negra	TOTAL
Number of units	3000	3000	6000
Purchase cost per unit	3,67	3,25	-
Transport costs	934		934
Transport cost per unit	0,156		-
Fixed costs	2500		2500
Fixed costs per unit	0,416666667		-
Total cost per unit	4,242	3,822	-
Total costs	12727	11467	24194
Estimated Contribution margin	5,94	5,35	-
Tax	0,59	0,54	
After Tax	6,5	5,89	
Estimated net income	3436,29	3096,09	6532,38

The following tables sum all the costs considered:

Regarding this first table, we used the data about the second company. Here, unit costs in relation to the size of the bottle are much lower (notice that the capacity of the bottle is 500ml and the price is almost the half of the previous 500ml recipient).

The types of olive oils that we operate with are from a *picual* variety, which corresponds to the “Frasca transp.”, and an *arbequinas* variety, regarding the “Marasca negra”.

The assumed amount is 6000, because that is the minimum amount

that the company requires to do a business of this nature. As a consequence of this, the fixed costs per unit will be small from the beginning, which helps us cover the overall costs with more ease.

Furthermore, it will require less effort to sell that amount, as the price is not as high as the previous firm’s products.

COST ANALYSIS	Scenario B		
	500 ml Frasca transp.	500 ml Marasca negra	TOTAL
Number of units	3000	3000	6000
Purchase cost per unit	3,67	3,25	-
Transport costs	934		934
Transport cost per unit	0,156		-
Fixed costs	2500		2500
Fixed costs per unit	0,416666667		-
Comission	0,21	0,19	
Total cost per unit	4,454	4,013	-
Total costs	13363,35	12040,35	25403,7
Estimated price	6,24	5,62	-
Contribution margin	2,405	2,167	
Tax	0,62	0,56	
After Tax	6,9	6,18	
Estimated net income	3608,1045	3250,8945	6858,999

In this second scenario, the reader can realize that a second line has been added. This additional factor is the fee, which applies when the products are commercialized when the company we deal with is a big retailer and not directly with the end distributor.

The percentage of this fee has been considered as a 5% of the total cost.

Source: Own elaboration

Source: Own elaboration

COST ANALYSIS	Scenario A			Scenario B			Scenario C					
	Jar 250ml	Glass bottle250ml	Glass Bottle 500ml	TOTAL	Jar 250ml	Glass bottle250ml	Glass Bottle 500ml	TOTAL	Jar 250ml	Glass bottle250ml	Glass Bottle 500ml	TOTAL
Number of units	250	250	500	1000	500	500	1000	2000	1500	1500	3000	6000
Purchase cost per unit	3	2,7	6	-	2,9	2,6	5,5	-	2,8	2,5	5	-
Transport costs		186		186		362		362		934		934
Transport cost per unit		0,186		-		0,181		-		0,156		-
Fixed costs		3000		3000		3000		3000		3000		3000
Fixed costs per unit		3		-		1,5		-		0,5		-
Total cost per unit	6,186	5,886	9,186	-	4,581	4,281	7,181	-	3,45566667	3,15566667	5,65566667	-
Total costs	1546,5	1471,5	4593	7611	2290,5	2140,5	7181	11612	5183,5	4733,5	16967	26884
Estimated price	8,6604	8,2404	12,8604	-	6,4134	5,9934	10,0534	-	4,8379333	4,4179333	7,9179333	-
Contribution margin	2,4744	2,3544	3,6744		1,8324	1,7124	2,8724		1,3822667	1,2622667	2,2622667	
Estimated net income	618,6	588,6	1837,2	3044,4	916,2	856,2	2872,4	4644,8	2073,4	1893,4	6786,8	10753,6

Source: Own elaboration

Now, we proceed with the analysis of the second company, whose particular trait is that they operate under a higher cost basis. We have divided this in three scenarios that are arranged according to the different size of the shipment.

- Scenario A: for this case, we selected the lowest quantity allowed to transport them into Germany. We cannot take advantage of economies of scale, as the requested quantity is not big enough to do so. This results in a higher unitary cost per unit, as well as the fact that the fixed unitary costs are higher and not well distributed enough to be competitive. Therefore, the prices, applying a contribution margin of a 40%, are much higher than the mainstream competition (jar of 250 ml: 8,66 EUR). Moreover, transport costs depend on the number of pallets that we need to carry out the shipment. In this case, it accounts for 186 EUR, which correspond to the price of one single pallet.
- Scenario B: here, we doubled the requested quantity. We can appreciate that the unitary cost of purchase is reduced, fixed costs are more efficiently allocated and the transport costs per unit are reduced, as the unitary price of the pallet is also reduced as long as we increase the shipped quantity, which implies asking for more pallets. This is translated into a more competitive price, which is much more similar to the toughest competitors in the market (500 ml bottle: 10 EUR).
- Scenario C: finally, we assumed a hypothetical amount of 6000 units ordered, which in turn drives drastically the unitary fixed costs in 1 EUR with respect to the previous scenario. In this case, variable costs are not reduced so much, but the transport costs per unit keep notably decreasing, as the number of pallets grew to 6. In the light of the results, we can set a very competitive price, assuming that we keep the same price level as the competition but our unit costs keep shrinking. This case, in terms of costs, is optimal. However, we need to consider that we are dealing with a much higher number of units sold.

We need to provide additional assumptions regarding the price and size of the pallets. As seen in the Annex, Intereco's Company provides a budget including different pallets and a range of prices.

In order to calculate the units per pallet, two conditions must be met: on the one hand, the number of bottles per box, as well as the number of boxes per pallet. According to additional information gathered by Intereco 100 boxes containing 6 bottles per box and 72 boxes with a capacity of 12 bottles each, fit on a single pallet.

On the other hand, the weight of shipment should not exceed the maximum recommended. That is why different varieties of pallets standing different weights are presented.

5.3. – Communication Strategy

5.3.1. – Brand name considerations

When one thinks about the olive oil market, one does not make a clear distinction between the different existing brands. For this reason, the selection of the commercialized brand plays no big role in the first impression of the product.

On the other hand, the presentation of the bottle where the product will be presented to the customer must comply with some basics for its trading in the German market. Those will now be discussed in the following section.

5.3.2. – Label and presentation

As a conclusion obtained from the questionnaires and direct contact with the future potential customers, the different varieties of the product as well as its practical usage is usually ignored. Mentioned already in section 5.1.3., there are several assorted types of olive oil each of them with an individual application.

The label of the product must then include not only a complete description of the properties of such variety, but also a hint about its taste and possible applications; apart obviously from the name of the specific variety.

As we will afterwards explain in the section 5.4., the retailers' employees should have a clear knowledge of the characteristics of the product, being therefore able to accurately describe what they are buying.

Moreover, the distribution region must be taken into consideration making the label of the crystal written in German.

5.4. - Distribution Strategy

5.4.1. - Type of outlets

Referencing to the performed interviews to professionals in the sector, we can distinguish between two possible distribution procedures. We should decide between trading with retailers, who will directly sell the product to the customer, or with intermediary companies.

The deal with retailers implies higher possible margin in comparison to intermediaries. Intermediary companies will charge an extra fee to the final retailer lowering your overall benefit if we consider the same final price in both cases. Less negotiating processes are involved by trading through retailers, thus a higher control over the final price or selling conditions of your product. The final price of the product will normally be higher in case intermediaries are involved as more participants take part during the value chain. Nevertheless, the positioning of intermediate companies inside the market could guarantee a continuous contact with its evolution (trends, legislation etc.), favoring the penetration of the olive oil into the market in a larger area.

When considering trading with retailers, two options are available. The first one of them regards big shopping infrastructures that offer a wider range of products, while the other option is more focused on premium/higher quality gourmet stores.

Bigger infrastructures provide a larger amount of clients leading to greater purchase likelihood; the product will also be visible over a greater zone as it can be offered in several stores. The big advantage over a premium stores remains in the competition against other high quality products. Big shopping centers generally count on fewer alternatives, as a consequence of their limitation in the accepted products.

On the other hand, smaller groceries and premium stores have, as said before, a lower affluence of people and, therefore, they demand for a smaller quantity of the product, which would lead us not to benefit from the previously discussed economies of scale and distribution of the fixed costs. Another convenient factor to consider is the positioning/placement of our product in the store. A closer relationship with these gourmet shops can get our product to be placed in a favorable position inside the shop with respect to the competition, being therefore more visible for the incoming customers.

6. – Conclusion and Further research

The main objectives of the project have been accomplished in a satisfactory way, as we can give a clear overview of what would imply introducing Spanish olive oil in the German market.

Thanks to the gathered information, we have established evidence that olive oil is very beneficial for our health, as well as the many different uses we can give to it, in comparison to other substitutive products as butter or sunflower oil.

In addition, we have realized that Spanish olive oil has not a substantial presence in this market. This, jointly with the market trends, constitutes a potential opportunity for Spanish olive oil.

Due to the used methodology, apart from drawing conclusions about the trends and characteristic of the market, people were able to get to know, in a limited way, the product and its uses and benefits.

With the elaboration of the marketing plan, the challenges have been bigger, given that the information was more complicated to obtain. It is here where we found the first limitations that we found for this project.

Nevertheless, with the obtained information, we are able to show that the project could be viable in terms of costs and we could establish an idea of which price would the product have, being competitive against the existing products from Italy and Greece. This is, referring to the unique selling proposition; we could offer a product of superior quality at a lower price.

On the other hand, we have applied a Business-To-Business idea, being the main point the negotiations with the retailers and intermediaries. It would be dependent on the specific situation to choose one or another, as both of them have their own advantages and disadvantages.

However, during the elaboration of this project, we have faced different difficulties and limitations. For this reason, we feel that this project has still an improvement margin.

We will begin with the suppliers and the companies that provide our olive oil. We have tried to establish several companies which provide olive oil to determine a price comparison and settle some scenarios. Nonetheless, some

companies did not want to collaborate with the project, diminishing the range of possibilities for our purposes.

Regarding the types of outlets, we could not be able to receive specific information at the desired level due to the complexity of the product and the scarcity of resources to gather convenient data for the matter. Anyway, we have been able to obtain some pieces of information that have been helpful to understand how this works.

Referring the methodology, the initial targets were doing the surveys and the product testing in the 5 main cities of Baden-Württemberg. However, for permits and budget reasons, it was only possible to carry it out on the main square in Heilbronn and on the hall of the Heilbronn University. Nevertheless, we have been able to obtain a significant number of people to translate the results to the population of Heilbronn. Therefore, for the further development of the project, we should carry out these surveys in the previously mentioned main cities of the region.

At the same time, we should specify a deeper marketing plan, which should be more aggressive to let the people know about the product and convince them to choose it over the competition.

To sum up, with all the information we could gather, we want to encourage the entrepreneurs and other interested people to export into this incipient market and get them closer to it, so that they can proficiently put this knowledge in practice, as we feel that this is a new opportunity that cannot be withdrawn.

7. - Appendix

Production and trade per countries (Olive oil) Source: European Commission





CONSEIL OLEICOLE INTERNATIONAL (NOVEMBRE 2016)
INTERNATIONAL OLIVE OIL COUNCIL (NOVEMBER 2016)

HUILES D'OLIVE - OLIVE OILS

Tableau 4 : CONSOMMATION (1.000 tm) - Table 4 : CONSUMPTION (1,000 tonnes)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			
Cyprus																																			
Chine																																			
Israël																																			
Espagne	384,1	418,7	421,4	410,0	403,0	391,1	402,2	508,4	538,5	502,6	508,8	611,2	591,3	613,9	616,7	673,8	537,7	546,3	530,6	538,4	558,4	554,2	574,0	485,9	504,8	504,8	504,8	504,8	504,8	504,8	504,8	504,8	504,8		
France	28,0	34,8	43,8	43,7	41,6	48,5	58,8	75,6	78,8	81,5	92,0	96,1	97,0	94,0	97,1	99,5	101,8	101,6	113,5	114,8	112,8	112,0	113,1	110,6	106,0	102,0	107,0								
Grèce	304,0	303,0	307,0	300,0	295,0	290,0	280,0	260,0	245,0	230,0	220,0	210,0	200,0	190,0	180,0	170,0	160,0	150,0	140,0	130,0	120,0	110,0	100,0	90,0	80,0	70,0	60,0	50,0	40,0	30,0	20,0	10,0	0,0		
Italie	540,0	600,0	640,0	670,0	690,0	710,0	730,0	750,0	770,0	790,0	810,0	830,0	850,0	870,0	890,0	910,0	930,0	950,0	970,0	990,0	1010,0	1030,0	1050,0	1070,0	1090,0	1110,0	1130,0	1150,0	1170,0	1190,0	1210,0	1230,0	1250,0		
Malte																																			
Portugal	37,0	45,0	49,0	53,0	58,0	64,0	70,0	76,0	82,0	88,0	94,0	100,0	106,0	112,0	118,0	124,0	130,0	136,0	142,0	148,0	154,0	160,0	166,0	172,0	178,0	184,0	190,0	196,0	202,0	208,0	214,0	220,0	226,0		
Slovénie																																			
TOTAL A)	1.931,1	1.981,5	1.993,1	1.941,7	1.904,8	1.842,0	1.960,6	1.933,3	1.828,4	1.628,6	1.722,3	1.792,8	1.783,2	1.892,2	1.916,5	1.771,5	1.763,3	1.698,8	1.690,1	1.653,9	1.646,7	1.682,9	1.646,7	1.682,9	1.646,7	1.682,9	1.646,7	1.682,9	1.646,7	1.682,9	1.646,7	1.682,9	1.646,7		
Allemagne (1)	0,3	0,3	0,5	0,4	0,5	0,4	0,6	0,5	0,6	0,5	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6	0,7	0,6		
Autriche																																			
Belgique																																			
Bulgarie																																			
Danemark																																			
Estonie																																			
Finlande																																			
Hongrie																																			
Irlande																																			
Lettonie																																			
Lituanie																																			
Luxembourg																																			
Pays-Bas																																			
Néerlandais																																			
Pologne																																			
République tchèque																																			
Roumanie																																			
Royaume-Uni																																			
République slovaque																																			
Suède																																			
UEEL																																			
TOTAL B)	21,4	25,3	30,5	41,8	46,8	46,0	60,7	71,9	85,5	98,4	102,8	101,6	128,4	158,1	160,4	146,4	159,3	168,1	175,9	181,1	200,8	207,4	208,8	222,4	221,0	204,4	204,4	204,4	204,4	204,4	204,4	204,4			
TOTAL A+B	1214,5	1366,8	1383,6	1483,5	1461,2	1387,0	1668,7	1705,2	1708,9	1728,0	1825,1	1894,4	1918,6	1997,3	2078,9	1917,9	1904,6	1863,9	1866,0	1866,5	1790,3	1,621,4	1,730,9	1,621,4	1,730,9	1,621,4	1,730,9	1,621,4	1,730,9	1,621,4	1,730,9	1,621,4	1,730,9		

Budget Bravoleum Source: Hacienda el Palo



A/A. Pablo Llorens
LISTADO TARIFA DE VENTA
ACEITE DE OLIVA VIRGEN EXTRA
EXTRACCIÓN EN FRÍO
VARIEDAD PICUAL
5 de Mayo de 2017
TARIFAS EXWORKS. 10% IVA NO INCLUIDO

1. MARCA PROPIA
VARIEDAD PICUAL Y ARBEQUINA
- **Formato empaque:** CRISTAL
- **Capacidades:** 500 ml.

CRISTAL	TARIFA	UDS/CAJA	CAJAS/PALET
500 ml Frasca transp.	3,67 €	6	100
500 ml Marasca negra	3,25 €	12	72

Explotaciones Jame S.L.
Carretera de Jaén, Km. 0,95 - 23630 - Villargordo - Jaén
Email: contacto@aceiteshaciendaelpalo.com
Web: www.aceiteshaciendaelpalo.com
Telf. 953 377 190 - 953 37 73 11 - 637 58 27 60

- 1 -

Transport Budget Source: Intereco S.L.



Zona Industrial de Montfullà c/ Guillem Granollers, s/n
17162 Bescanó (Girona) Tel. (+34) 972 24 20 63



SRES.:	START-UP		TARIFA:	6447	
ATT SR:	SR.PABLO LLORENS		CIAL:		
PAIS_ORIGEN:	ESPAÑA	CARGA.:	23450 JAÉN	TEL:	972 18 87 03
PAIS_DESTINO:	ALEMANIA	DESCARGA.:	70 - STUTTGART	FECHA OFERTA:	14/07/17
				VALIDA HASTA.:	14/07/18

ZONA 06 !! Transit Time !!
72 - 96 Horas

Deps. - 10, 12-18, 23, 25 (except see zone 11), 70, 71, 79-81

Altura y peso Máximo de palet	1 Pal	2 Pal	3 Pal	4 Pal	5 Pal	6 Pal
150 Kg 60cm MINI	173 €	340 €	466 €	579 €	701 €	828 €
250 Kg 80cm QUARTER	186 €	362 €	505 €	642 €	785 €	934 €
500 Kg 120cm HALF	235 €	450 €	621 €	782 €	960 €	1.138 €
750 Kg 220cm FULL	321 €	606 €	823 €	1.028 €	1.247 €	1.476 €
1.200 Kg 220cm MEGA	341 €	650 €	883 €	1.110 €	1.354 €	1.598 €

Survey Source: Own elaboration

General Info/ Allgemeine Info

Age/Alter

- 18-25
- 26-35
- 36-50
- 50+

Gender/ Genre

- Female/Weiblich
- Male/Männlich
- Prefer not to say/Keine Antwort

Occupation/Job

Cooking Habits/Kochen Gewohnheiten

1.- Alimentation awareness/ Alimentationsbewusstsein

	1	2	3	4	5	
Economic / Kostengünstig	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Healthy / Gesund

2.- How often do you cook weekly?/Wie oft kochen Sie pro Woche?

- Less than 3/Weniger als 3 Mal
- Between 3-5/Zwischen 3-5 Mal
- More than 5/Mehr als 5 Mal

3.- My eating habits are close to the Mediterranean diet/Meine Essgewohnheiten sind nah von der mediterranen Ernährung

	1	2	3	4	5	
Completely disagree/ Ganz nicht einverstanden	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Completely agree/ Ganz einverstanden

4.- Olive oil or butter/Olivenöl oder Butter

- Olive oil/Olivenöl
- Butter

5.- Do you know the benefits of olive oil?/ Kennen Sie die Vorteile von Olivenöl?

- Yes/Ja
- No/Nein

Test taste/ Testgeschmack

1.- Which of these products you found the tastiest?/Welche dieser Produkte fanden Sie am leckersten?

- Olive Oil/Olivenöl
- Butter
- Sunflower oil/ Sonnenblumenöl

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