

Title: Exporting organic Dutch dried sausages to Denmark

Date: 07/06/2022

Program: International Food Business

Location: Aeres University of Applied Sciences

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Preface

This thesis has been written for the International Food Business (IFB) program of AERES university of applied sciences Dronten in the Netherlands and the Dalhousie University in Truro, Canada. This thesis was written between February and June 2022. This is a report that investigates the Danish market for organic Dutch dried sausages through a literature review. Furthermore, this report advises companies that are considering the export of organic Dutch dried sausages to Denmark by analyzing export methods provided by the interviewed experts.

I want to thank Brandt&Levie Worstmakers and especially Wouter van Leeuwenburg for coaching me during my internship and the writing of this report. This report came to fruition by combining my interest in sales and export with the knowledge gap in the export of dried sausages.

I want to thank my thesis coach, Umair Qureshi, for providing feedback and answering my questions. Because of the preliminary research and the right formulation of the research proposal I was able to achieve the desired result. Furthermore, I want to thank all experts that were willing to conduct an interview with me.

I hope you will enjoy reading my thesis.

Pieter de Groot

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Summary

This report presents research on how to determine the best suitable export method to export organic Dutch dried sausages to Denmark. This research was necessary as the organic market is growing and the demand for dried sausages is growing as well. The Danish demand for organic products is already the biggest in the European Union and outgrowing the production capacities. This creates demand for exporters. This is why Denmark is chosen as the target market. When a company wants to successfully start exporting, it is important to take the time to identify the right export method.

The objective of this research is to identify the strengths and weaknesses of different export methods to educate and advise companies that are considering the export of organic Dutch dried sausages. This results in finding what method is best-suited to export successfully to Denmark. Moreover, the challenges that were faced during export to Denmark are discussed to help new exporters with tackling these challenges. The main question “ what export method can be used best when exporting organic Dutch dried sausages to Denmark” is answered by holding semi-structured interviews with experts in the export of food products to Denmark. The interviews were held with eight experts that were all involved with the export of food products to Denmark. To get the right results interviewees were asked to answer questions about the method of export that they used and the specific challenges they faced in the Danish market. Henceforth, they were asked to provide additional information that could be helpful when exporting to Denmark. The experts provided the method that was used by themselves and the reasoning why these methods were chosen. Two export methods were recognized to be used the most by the experts and these were used to target the off-trade market. These export methods were: (1) direct export and (2) a distributor. The experts also gave more insight into the challenges and opportunities of exporting to Denmark. These challenges and opportunities provide information that should be kept in mind when starting the export to Denmark.

Companies that are considering the export of organic Dutch dried sausages are advised to match the strengths and weaknesses of the export methods to their business model. Furthermore, they are advised to keep the challenges and opportunities in mind before starting the exporting process. This will help them to create a better understanding of the Danish market and the chosen export method.

1.Introduction

This research will mainly focus on identifying and analyzing the various exporting methods for Organic Dutch Dried Sausages to Denmark and function as an advisory report for producers of Dutch organic dried sausages that plan to export to Denmark.

The introduction contains an explanation of the product and the market for this product. First of all, the Organic market globally and in Denmark is be explained to gain insight into this growing market. This is followed by an explanation of the market for dried sausages to show the potential for organic dried sausages. Henceforth, the ways of export and entering possibilities are discussed to gain insight into the market and what would be the best way of exporting this product.

The literature study validates the importance of this report for Dutch organic dried sausage producers. The sub-questions in the methodology section will help answer the main question to advise and help Dutch organic dried sausage producers choose their export method when expanding to Denmark.

1.1 Denmark

This research will be country-specific and therefore a country had to be selected to focus this research on. This country is selected based on a country analysis.

According to Andersen & Buvik (2002) political characteristics, cultural differences, purchasing power parity, macroeconomic factors, market size, and competition and distribution channels in the target country are some of the criteria by which a country can be assessed to see which country should be exported to. These factors should be graded and therefore the most important factors are determined to create a grading system (Andersen & Buvik, 2002). In this case, some of the most important factors are that the country should be within the European

Union, the reason for this is the elimination of export barriers (Belastingdienst, 2022). Another important criterion is the market as this report focuses on an organic product therefore there is a high grading for countries that have a big market for such products, this has also social factors as it looks at the mindset that consumers have of organic products. Furthermore, the distance of export is a criterion that is valued as the export costs rise as the product needs to travel further, this has also impact on the best before the date of the product and therefore this criteria is important (Görg et al., 2010). With this country analysis, the country Denmark has been chosen as the designated export country. The Danish market is explained in this chapter.

Denmark is a member of the European Union and therefore trade barriers and import tariffs are eliminated when doing business with another EU country such as the Netherlands (Statista & O’neill A, 2021). However, Denmark is not a member of the European Monetary Union and therefore uses another currency than the Euro, the Danish Krone (Mitchell C, 2021). According to a research study by Gullstrand & Olofsdotter (2018), there is no case of trade diversion for members of the European Monetary Union when trading with outsiders and there is no loss of competitiveness when outsiders trade with countries of the European Monetary Union, in this case, outsiders are countries that are members of the European Union but not members of the European Monetary Union. When doing business with a country that uses a different currency it is important to be aware of the foreign exchange risk which implies exchange rates can adversely affect a company when exchange rates change after a contract has been signed and the delivery date (Ganti A, 2020). However, the Danish Krone has been pegged to the Euro at an exchange rate of 7.46 DKK to 1 EUR with room for fluctuation of only 2.25% this reduces foreign exchange risk (Mitchell C, 2021). Dutch producers can export goods with 0% VAT when goods are sent to other EU countries with the right documentation (Belastingdienst, 2022).

Denmark is a country with a relatively high GDP per capita at 54736,19 EUR (Statista & O'Neill A, 2021). The GDP per capita has been steadily rising with a dip of 2% in 2020 (Statista, 2022a). The population of 5.81 million is expected to grow by 100.000 per year until 2026 (Denmark - The World Factbook, n.d.). The Netherlands is the 3rd biggest Importer to Denmark and accounts for 8% of the total import in Denmark (Denmark - The World Factbook, n.d.). When looking at the food sector the Netherlands is the second biggest importer and traded for 610423.72 EUR in 2019 (World Integrated Trade Solution, 2022).

1.2 The Organic Market

In this report, the definition of organic products will follow the European guidelines that are stated in the regulation (EU) 2018/848 of the European Parliament and the council (The European Parliament and the council of the European Union, 2018).

Organic products have to comply with certain requirements to be certified as organic. There can be no use of chemical substances such as fertilizers and pesticides, only natural substances are allowed. Organic production has a limited impact on the environment as it includes responsible use of natural resources, high animal welfare standards, and maintenance of soil, biodiversity, and water. Organic production creates consumer demand as well as that it contributes to the protection of animal welfare and environmental sustainability. (European Commission, n.d.)

Organic production has proved to have a positive impact on the environment, additionally, organic products are beneficiary for food quality and health as they have reduced levels of pesticide residues and heavy metals (Hansmann et al., 2020). Consumers are more aware of the environment and health concerns which favor the trend toward organic products (Hansmann et al., 2020). Certain consumers are more attracted to organic products and are willing to pay more for these products (Radman, 2005).

Organic products in the European Union use the organic logo which can only be given to products that have been certified by an authorized control agency which means that they comply with the regulation (EU) 2018/848 of the European Parliament and the council (The European Parliament and the council of the European Union, 2018). In the Netherlands, organic production is controlled by Skal Biocontrole which is the sole organization responsible for controlling organic production (EOCC | Skal, n.d.).

According to Trániček, Willer, and Schaak (2022), the organic market in Europe has continued to grow in every key indicator in 2020. The growth of the market has outgrown the growth in organic land area and the organic market in the European Union is expected to keep growing as the European Union has started a 25% organic land use by 2030 goal in its farm to fork strategy. The number of importers of organic products increased at a higher rate than the number of producers and processors (Trániček et al., 2022). This creates export potential for European producers.

Furthermore, Trániček, Willer, and Schaak (2022) state that organic retail sales in the European Union were valued at 44.8 billion euros in 2020 and, the European Union is the second biggest organic market after the United States of America. The organic market has seen a 152.1% growth between 2011 and 2020 and a 15.1% growth from 2019 to 2020. The average per capita consumption of organic products in the European Union comes down to 101.8 euros. The two leading countries in per capita consumption of organic products are Switzerland and Denmark with 418 and 384 euros. Therefore, Denmark has the highest per capita consumption of organic products within the European Union, with 3.77 times the European average, there are only seven countries with a per capita consumption of over 100 euros in Europe (Trániček et al., 2022). In 2012 the per capita consumption of organic products in Denmark was 159 euros which imply a growth of 141% in 8 years (Willer & Lernaud, 2014).

The market share of organic products is the highest in European countries with the top three countries consisting of Denmark with 13%, Austria with 11.3%, and Switzerland with 10.8%. In 2019 the market share of organic products was 12.9% in Denmark. Denmark has an organic market of 2240 million euros, Denmark is also the fifth-biggest growth market in organic products with 13% growth in 2020. (Trániček et al., 2022)

1.3 Dried Sausages

The term dried sausages in this report relates to the following description given by van Wersch, Brandt, and Levie (n.d.) the owners of a Dutch company that produces dried sausages called Brandt&Levie (Onze Visie – Brandt & Levie - Worstmakers, n.d.). The production process involves salt, herbs, and spices as well as a starting culture to start the fermentation process. This fermentation process happens in a room of 20 to 25 degrees Celsius and this activates the desired bacteria and molds that are crucial for the taste and food safety of the product. The starting culture prevents harmful bacteria and molds from entering the sausage. After a week of fermentation, the sausages are transferred to a ripening room that has a lower temperature which allows the sausage to dry. The sausages dry until they lose around 40 to 45 % of their moisture content and are then ready to be eaten. (van Wersch et al., n.d.)

Dry sausages are a concentrated form of grounded meat with additional spices and curing agents which are packed into a casing before undergoing a controlled air-drying process (360ResearchReports, 2020). Often a starting culture is added to commercially made fermented sausages to start the fermentation process, additional treatments to dried sausages are fermentation, smoking, and the use of outer molds (Lücke, 2003). The sausages are controlled in aging rooms with set temperatures to allow controlled drying and growth of molds to make sure quality stays and prevent unwanted biological hazards from entering the dried sausages (Mackey, 2000). Dried sausages originate from the Mediterranean area whilst more Nordic

countries used more salted and underground storage as methods to preserve meats (Mackey, 2000).

The dry sausage market is dominated by pork sausages at 56% of the market in 2019 (360ResearchReports, 2020). The global demand for dry sausages is expected to grow from 4260.05 million EUR in 2020 to 5316.11 million EUR in 2026 (360ResearchReports, 2020).

The annual turnover of organic meat sold in Denmark has grown from 44.32 million EUR in 2010 to 165.73 million EUR in 2020. Denmark imports 222524 EUR worth of organic dried/smoked/salted meat in 2019 and exports just 34161 EUR. The average household expenditure on such products has seen a steady growth from 198.65 EUR in 2010 to 215.87 EUR in 2020, this is a 9% increase. (Statista, 2022b)

The Netherlands had a total value of 8.84 billion euros in the export of meat products in 2020 (Statista, 2021). In 2020 the Netherlands exported 72,625 tonnes of sausages and in 2019 this was 56,002 tonnes at a value of 145.76 million EUR (Selina Wamuci, n.d.). The Netherlands is ranked as the 8th biggest exporter of sausages in the world in 2019 with 2.8% of the market (Selina Wamuci, n.d.).

1.4 Export options and export trends

When it comes to internationalization exporting is the most used form, even more so for small and medium-sized enterprises (Ipsmiller et al., 2021). Furthermore, export can lead to increased performance of an enterprise (He et al., 2012). According to Klein and Roth (1990), there are three options for export channels, which are market modes (title taking distribution), intermediate modes (agents or other forms of shared control), and hierarchical (self-managed operations). These modes are also confirmed by Li, He, and Sousa (2017) who state that the modes of export are independent distributors, agents or joint ventures, or wholly-owned sales subsidiaries.

Furthermore, there are additional ways of exporting which are not just exporting the product but exporting the company and its business model. These methods contain acquisitions and greenfield ventures. With an acquisition, the company takes over a company and its production facility in the desired market to produce locally. In the case of a greenfield venture, the company builds a location from scratch designed for that market. (Raff et al., 2009)

Because the Netherlands and Denmark are both located within the EU there are no tariffs on export this however does not mean that there are no export barriers. Export barriers are very company-specific although some export barriers such as information inefficiency, price competitiveness, and foreign customer habits seem to have a particularly strong impact system-wide. (Leonidou, 2004)

The Netherlands is ranked 7th in total export in the world (OEC, n.d.). Because of the Covid-19 crisis, the total export market in the Netherlands had a 5% reduction in 2020 which was the biggest setback in the past 20 years (Atradius & Evofenedex, 2021). The market forecast for 2021 is a 9% increase in the export market. Denmark is the 4th biggest growth market for the Netherlands in 2020, 48% of businesses saw their export revenue increase in Denmark. Furthermore, Denmark is part of the top 10 countries the Netherlands exports to (Atradius & Evofenedex, 2021).

The combination of export benefits, Denmark as an economy, the organic market, and the market for dried sausages suggests the export potential of organic Dutch dried sausages to Denmark. Therefore, the main question of this research is:

What export method can be used best when exporting organic Dutch dried sausage to Denmark.

The main question will be answered through the following sub-questions:

1. What are the ways of export that professional exporters in the food industry use and why?

This answer will give an overview of the export methods that are used currently by experts in the export of food products. With this data, an overview of strengths and weaknesses can be assigned to these export methods.

2. What are export challenges in Denmark and how to tackle them?

This question will identify export challenges that can occur when doing business with Denmark. What challenges did professional exporters in the food industry face and how did they deal with them?

3. How big is the demand for organic dried sausages in Denmark?

This question validates the need for export and gives an overview of potential target audiences.

2.Methods & Methodology

A literature study has been conducted to give an overview of the importance of export, the Netherlands as an exporting country as well as the general market in Denmark, and the Organic and Dried sausage market.

During the literature study, a lot of data was found with different currencies. Therefore, prices that were given in USD or DKK are converted to EUR to give a clear overview of the data. This price conversion is done via the currency converter found on the website OFX (n.d.) On 10/03/2022.

This research aims to identify and analyze export methods and important bottlenecks when it comes to exporting to Denmark. Three sub-questions have been formulated to answer the main research question. Through the use of qualitative semi-structured interviews, the answer to these sub-questions will be found. The interviews will be held with experts that comply with the following remarks.

- Active role in importing or exporting to Denmark
- Active in the food sector

The qualitative research in this report is done through interviews. According to Rowley (2012) research through interviews should have a sufficient amount of participants, to collect data from people with different roles, experiences, and backgrounds to validate the research that is done. Rowley (2012) recommends around 12 interviews of 30 minutes or 6 to 8 interviews of 1 hour. In this circumstance, key informants are determined and therefore an interview is the suggested research method as this provides more in-detail answers to questions and key informants are more likely to respond to interviews than they are to questionnaires (Rowley, 2012). The research is based on at least 8 interviews with experts who import or export foods into Denmark. People are be contacted via phone or in person to be interviewed for around 45 minutes. The interview style is semi-structured to allow the respondent to give elaborate

answers and views surrounding the topic, but allow the interviewer to steer the direction of the conversation throughout a set of questions (Rowley, 2012). A semi-structured interview is based on a guide or protocol which is made before the interview and gives a certain topic to retain the conversation within useful limits while it also allows discovery of the topic where the interviewed person can give additional input (Magaldi & Berler, 2020).

The questions that are asked during the interview to steer the conversation are given in appendix A the questions are given in English although some interviews are done in Dutch as the research focuses on Dutch exporters of food to Denmark.

The first sub-question “What are the ways of export that experts in the food industry use and why” will be answered through the qualitative interviews that are held with food exporters. The interview focuses on the ways which exporters/importers are currently using to export/import the products. a more in-depth conversation is held to further elaborate around the ways of export and what competitive advantages or disadvantages companies retrieve from them. The data is converted to strengths and weaknesses to determine the recommended export method for Dutch organic dried sausages. The additional literature review is done to underpin statements, this research is done via databases such as google scholar and science direct.

Sub question number two focuses on the challenges that exporters/importers face when doing business with Denmark this can include communication difficulties, pricing, demand, or other topics that are brought up by experts. The collected data is assessed and reflected to form a guideline of common challenges amongst importers/exporters. This also provides opportunities and threats in the Danish organic dried sausage market and market in general.

The last sub-question, how big is the demand for organic dried sausages, is answered through a literature review, and a DESTEP analysis is done to analyze the market potential of Dutch organic dried sausages in the Danish Market. The data for the literature review is

retrieved by using databanks such as statista and google scholar, using the terms: (1) export, (2) Denmark, (3) organic, and (4) dried sausages.

All letters in the word DESTEP relate to an external factor of a country on a macro-level which can not be controlled by a company. DESTEP stands for demographic, economic, social, technological, ecological, and political. Demographic means location, population, and infrastructure. Economics includes market trends and characteristics as well as purchasing power whereas social stands for social trends and lifestyle choices. The technological factor is about technological innovation and e-commerce. Ecological focus on the environment and what the company does for the environment also relates to the perception of consumers on climate-friendly actions. Lastly, the political factors include government, laws, and restrictions. (Frue, 2017)

The DESTEP analysis provides insight into the country and market, it observes key indicators and challenges. DESTEP is used instead of the PEST analysis as DESTEP includes the demographic and ecological factors which give extra insight into the target audience. (Frue, 2017)

With the completion of the DESTEP analysis, the market for organic dried sausages in Denmark can be evaluated. This provides insight into the export potential of this product and validates the reason to export. The data retrieved from this sub-question also provides knowledge about the opportunities for an organic dried sausage exporter.

With the answers to all three sub-questions, a SWOT analysis can be made to determine strengths, weaknesses, opportunities, and threats for the market and export methods to provide an answer to the main question. The SWOT analysis is a business strategy tool that stands for strengths, weaknesses, opportunities, and threats. This tool uses internal and external factors to indicate where a company stands compared to its competitors. (Mercieca et al., 2019)

In this case, the strengths and weaknesses of export methods are compared to the opportunities and threats of the export market which create insight into the export method that has the best practices for the export of Dutch organic dried sausage.

3. Results

In this chapter, the answers that were given by the eight interviewees about the chosen method of exporting, the strengths and weaknesses of those export methods, and the challenges they face in the Danish market are displayed before being further discussed in chapter 4. The interview consists of several questions which can be seen in Annex 1. The relevant answers to these questions will be projected in this chapter. First, the chosen export methods are presented, and whether the export is on or off-trade. Furthermore, the strengths and weaknesses of each export method are mentioned. Moreover, challenges that were faced when exporting to Denmark are provided along with additional notes about doing business with Danes and how the interviewees perceive the organic market in Denmark. The interviews have been held with export managers of various food companies. The interviews were held with the following people about certain companies and products which can be seen in table 1. In this report, the interviewed people will be referred to as interviewees 1 to 8 in random order. The reasoning behind this is to retain the anonymity of the interviewees. Therefore, there is no order or sequence within table 1.

Table 1: List of interviewees

Name of Interviewee	Name of company	Product
Sander Verweij	Bolletje	Pita bread
Jaap Bagerman	Ekro	Veal
Roy Pollux	La Trappe	Beer
Jaap Koert	Holiday Ice	Ice Cream
Joost van der Meulen	van der Meulen	Melba toast

Jan Anker	A-Ware Food Group	Cheese
Pia Weijers	Storteboom	Chicken products
Andries Leusink	ERU	Spreadable Cheese

3.1 Export Methods

The eight interviewees provided a total of 10 different export methods that were used. Both interviewees 4 and 6 indicated using two different methods of export. Therefore, Figure 1 adds up to ten answers instead of eight. Figure 1 shows that seven out of the eight interviewees indicated that they used direct export as a method of export to Denmark. Two interviewees indicated making use of distributors and one interviewee made use of an agent.

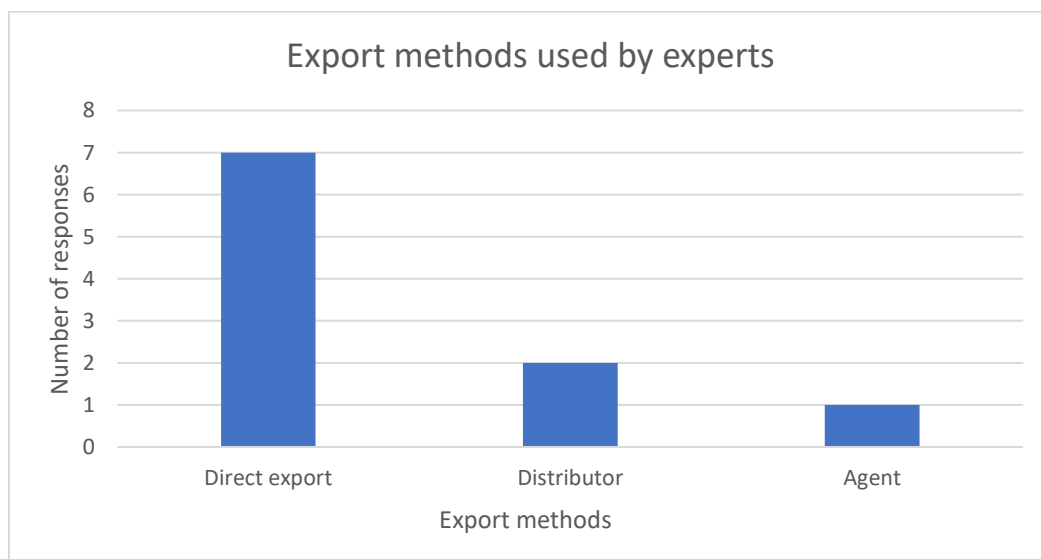


Figure 1: Export methods used by experts

Interviewee 6 indicated targeting both on and off-trade while all other interviewees indicated focusing on off-trade as shown in figure 2. When targeting the on-trade market, interviewee six used an agent.

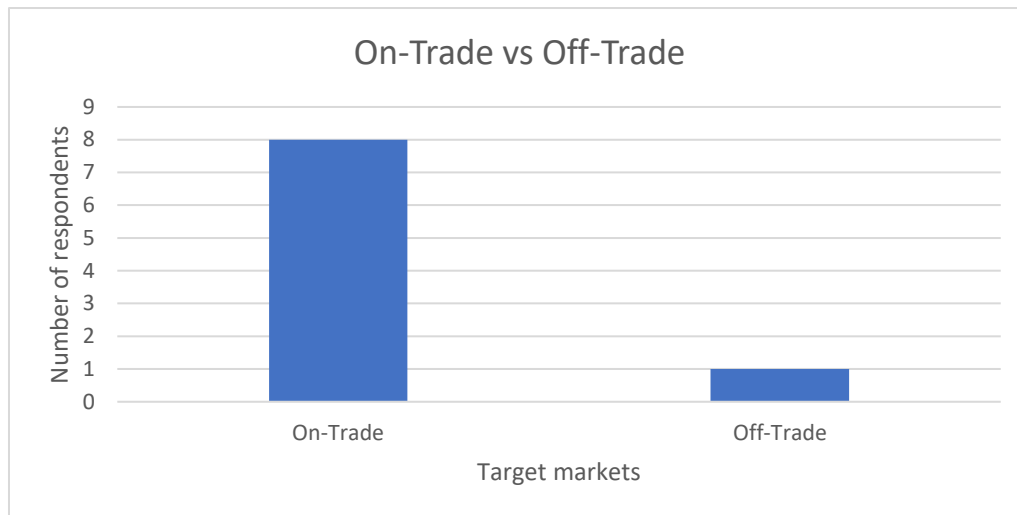


Figure 2: On-Trade vs Off-Trade

3.1.1 Strengths of direct export

There were five strengths provided by the seven interviewees that used Direct export to export to Denmark. As shown in figure 3, six out of seven interviewees indicated that being independent was a strength of direct export. Three out of seven participants stated that market feeling was a strength of direct export. Three out of seven participants stated that market feeling was a strength of direct export. Two experts noted profit margin and communication as strengths. There was also one interviewee that noted the transfer of knowledge of the product as a strength.

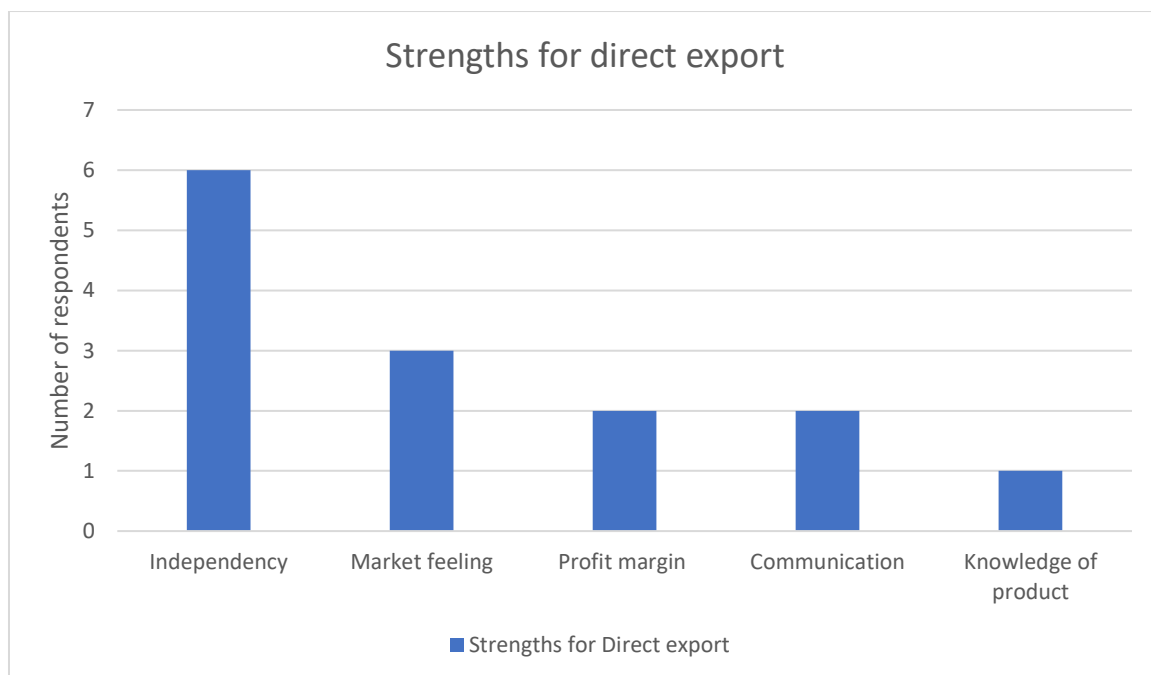


Figure 3: Strengths for direct export

Independency

The most mentioned strength of direct export is independency. Out of seven interviewees, six regarded it as a strength. The company decides how much time and resources are dedicated to the market. Growth can be realized by increasing efforts. “Everything that receives attention grows” (interviewee 1). Direct export creates control and “nobody is calling the shots for you” according to interviewee 7. Interviewee 6 noted that the company is not tied to contracts and can expand or retreat when deemed necessary at any given time. Interviewees 3,4, and 8 gave similar answers.

Market feeling

Three of the interviewees indicated that market feeling was a strength of direct export. “Knowledge of the market allows a company to identify opportunities and threats earlier” interviewee 1. Interviewee 1 also added that building a relationship with the customer and identifying local competitors are very valuable. “Market feeling requires time and when it is not created it can be a weakness for direct export but once acquired it can strengthen the position of the company in the market” interviewee 7. Interviewee 3 gave similar answers.

Profit margin

Two interviewees noted profit margin as a strength. “By removing third parties in the chain, profits are likely to increase” according to interviewee 4. Interviewee 1 acknowledged the same.

Communication

Customer contact was mentioned by two interviewees. They expressed that the direct link between the customer and the company allows the company to solve issues more efficiently. According to interviewee 3 “direct export equals direct feedback”. Interviewee 5 added that improved professional relationships increase loyalty towards the supplier.

Product knowledge

Interviewee 7 was the only one who mentioned product knowledge as a strength for direct export. However, this was also noted by interviewee 2 as a weakness of a distributor.

Interviewee 7 noted that the transfer of knowledge is improved when using direct export.

“The producer knows its product best” and “some products require an explanation to show what the unique selling points are” (interviewee 7).

3.1.2 Weaknesses of direct export

In total there were three different weaknesses given by the experts, these are shown in figure 4.

Four experts pointed out that the lack of market knowledge is a weakness of direct export.

Three out of seven experts noted the need for large volumes as a weakness. Two interviewees said that the use of time and resources is a weakness.

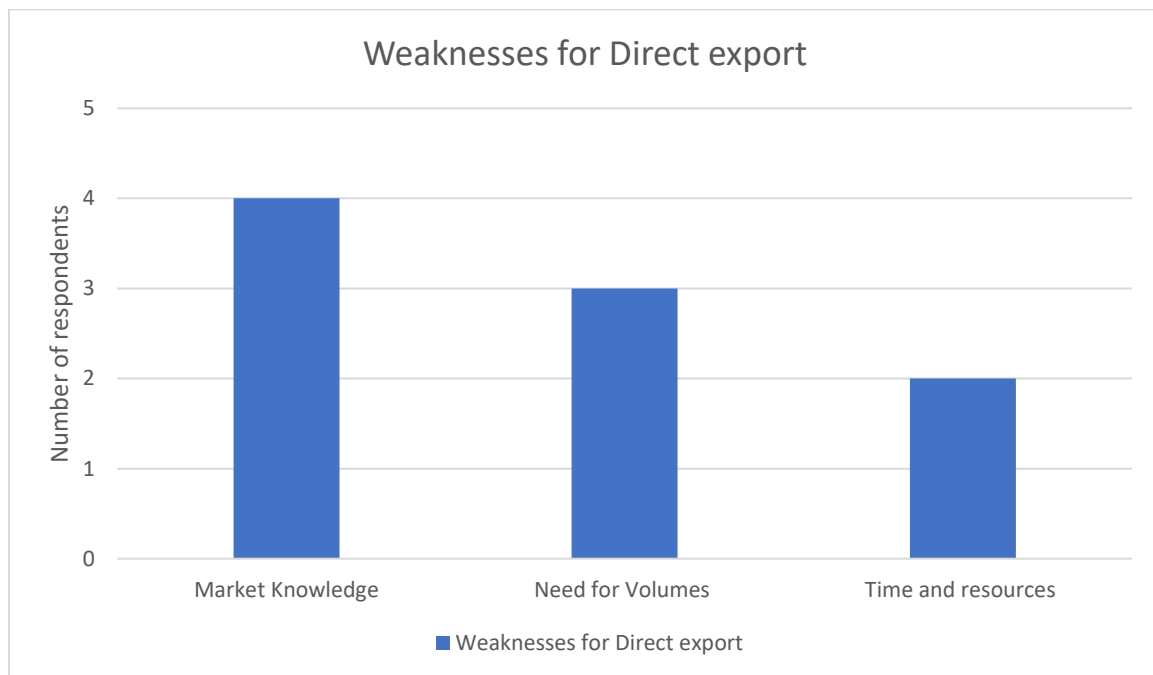


Figure 4: Weaknesses for Direct export

Market knowledge

Four out of seven experts indicated a lack of market knowledge as a weakness of direct export. “Market knowledge is a weakness especially for the beginning exporter as everything is new and there is no knowledge of the language, potential customers or the competition in

the market” (interviewee 1). Interviewee 7 indicated that it is difficult to make physical visits as traveling is time-consuming and therefore almost all contact is done online or via the phone. Interviewee 1 added that it is very important to have physical contact, bring samples, create a good relationship, identify competitors, and do field research to gain insight into the market.

The need for volumes

Three interviewees indicated that direct export requires large volumes and that this can be a weakness. “when containers are not used to their full capacity the costs of transportation rises significantly, the costs of export need to be divided over large quantities to stay profitable” interviewee 7. Interviewees 4 and 1 had similar answers.

The use of time and resources

The third weakness of direct export is the use of time and resources. According to interviewee 7, “Potential customers need to be found and accounted for, and the transport needs to be arranged. This costs a lot of time and resources”. “Direct export requires a lot of labor forces that have to focus on the Danish market” (interviewee 6).

3.1.3 Distributor strengths

Two out of seven exports used a distributor as a method of export. The following strengths were provided. Both experts gave one strength, these were the use of time and resources, and the possibility to export smaller volumes.

Use of time and resources

Interviewee 2 indicated that the use of a distributor contributes to saving time and resources, “having contact with just one party and not several retailers, creates focus and reduces the need to know the market yourself”.

The possibility to export smaller volumes.

Interviewee 4 indicated that a distributor can be an excellent choice if containers are not filled to max capacity. The distributor combines products of various producers and this allows the company to export smaller volumes.

3.1.4 Distributor weaknesses

There are three weaknesses given by the participants for using a distributor as a method of export. Both experts see the loss of profit margin as a weakness. One expert noted the transfer of product knowledge and Customer contact as weaknesses.

profit margin

The use of a distributor affects the profit margin on the products negatively. The distributor buys the products at a lower cost as it still needs to make a profit. This was acknowledged by both interviewees 2 and 4.

Product knowledge

Interviewee 2 mentioned the transfer of product knowledge as a weakness when using a distributor. “Some storytelling about the brand and product can be lost when using a distributor” (interviewee 2).

Customer contact

According to Interviewee 2, the contact with the end customer is not present when using a distributor. Therefore complaints or feedback are often lost. “It is unclear where products end up and which stores sell them” (interviewee 2).

3.1.5 Agent strengths

The single interviewee that indicated using an agent mentioned the market knowledge of the agent as a strength. An agent has already established connections in the market and knows the

language as well as how the market operates. Therefore, an agent can increase volumes at a greater pace than when a company starts with direct export (interviewee 6).

3.1.6 Agent weaknesses

The same interviewee indicated two weaknesses in using an agent which was the limitation on growth and profit margin.

Limitation on growth

According to interviewee 6, an agent is not an employee and the agent has incentives for the sales made. A company depends on the effort that the agent makes to grow. “It is very difficult to scale up with the same agent as the agent is no employee and operates from self-interest” (interviewee 6).

Profit margin

“The agent receives incentives on sales made and this reduces the profit margin for the company” (interviewee 6).

3.2 Challenges in the Danish market

All eight participants were asked to indicate challenges in the Danish market. In total there were six different challenges that they identified. Only the challenges that were acknowledged by two or more experts are being further processed and the remaining challenges can be found in appendix 2.

Figure 5 shows the three challenges given by two or more interviewees. Five experts noted the process of needing additional documents and labels as a challenge for the Danish market. Four experts mentioned VAT as a point of attention. Moreover, two experts mentioned cultural differences as a challenge.

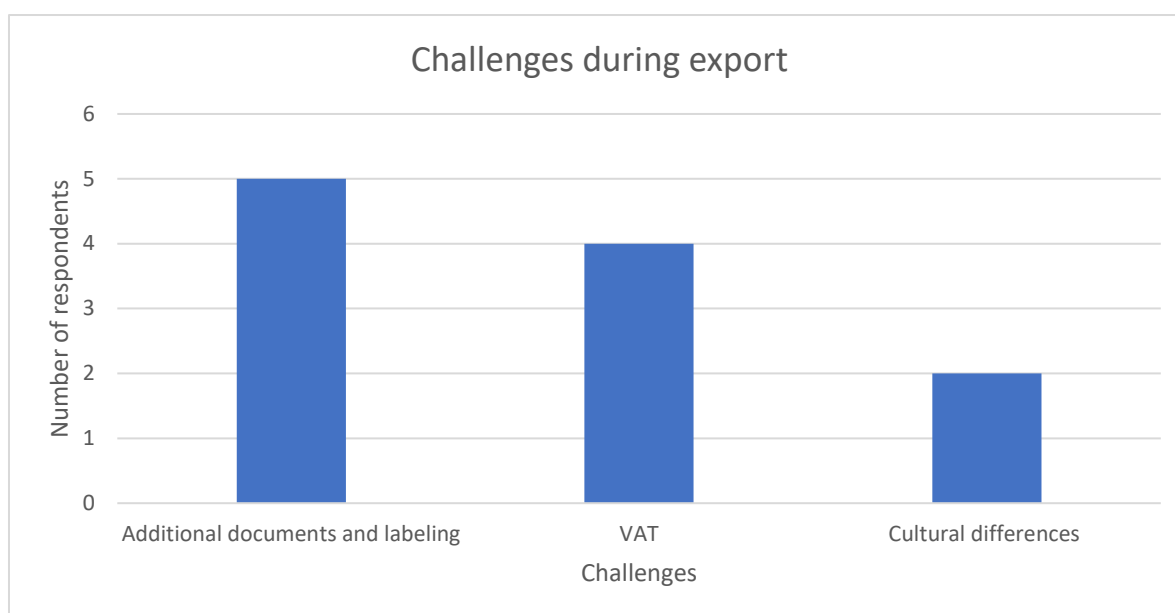


Figure 5: Challenges during export to the Danish market

Additional documents and labeling

Five out of eight interviewees indicated that additional documents and labeling could be a challenge to export to Denmark. One interviewee noted that additional salmonella testing is required for meat products when exporting to Denmark. Interviewees 2,4,5,6, and 7 all noted that products require labels that are in accordance with Danish legislation which results in additional costs and the need for an expert in the Danish language. Interviewee 7 added that the Danes are very strict on warehousing and product quality.

VAT

Interviewees 3,5,7, and 8 mentioned that the taxes in Denmark are higher than in the Netherlands for specific products. Interviewee 5 noted that the taxes on meat products are 25% in Denmark as opposed to 9% in the Netherlands. These taxes are applied to both imported and domestic products and therefore it does not create a competitive disadvantage for exporting companies. Interviewee 7 added that higher taxes do not affect the profit margin because taxes are directly transferred to the consumer. This was also acknowledged by interviewees 3, 5, and 8.

Cultural differences

Interviewees 1 and 4 mentioned cultural differences as a challenge. Interviewee 1 mentioned different eating habits, as Danes might eat products at another moment or occasion than the Dutch do, which was also acknowledged by interviewee 4.

3.3 DESTEP

Table 2 shows a DESTEP analysis of Denmark and the evolution of the Organic dried sausage industry. This combines the results from the literature review with answers from the interviewees that were provided. The literature review has been conducted and the information is shown in the introduction. The literature review was conducted using databanks such as statista and google scholar with the use of the following terms: (1) export, (2) Denmark, (3) organic, and (4) dried sausages. The most relevant information for the DESTEP is displayed in table 2 with some acknowledgments or additions of interviewees.

Table 2: DESTEP analysis

Demographic	8.51 million people are living in Denmark. The population grows by around 100.000 inhabitants every year (Denmark – The World Factbook, n.d.). The country is relatively small and the people are highly educated according to all interviewees.
Economic	Denmark has a relatively high GDP with a steady rise over the past 5 years (Statista, 2022a). The consumption of organic products per capita is the most in the European Union (Trániček et al., 2022). The market for organic food products is growing as well as the consumption of organic meat (Trániček et al., 2022). The consumption of Dried, smoked, or salted meat products has seen a steady growth of 9% during the period 2010 to 2020 (Statista, 2022b). The Organic trend is acknowledged by interviewees 2,3,4,7 and 8.
Social	All interviewees indicated that there are low cultural differences between Danish and Dutch people. They added that the Danes were highly educated with good proficiency in the English language. Danish consumers have the largest market share of organic products in the European Union (Trániček et al., 2022). According to interviewee 7, the Danish consumer is focused on products of higher quality, better animal welfare, and environment-friendly products and is willing to spend more money on such products than on regular products.

Technological	The Danish organic market is growing and the goal set by the European Union is to have 25% of the Danish agricultural land to be organic by 2030 (Trániček et al., 2022).
Ecological	According to Interviewees 2,3,4,7 and 8, the Danish consumer is highly involved and deeply concerned with the Environment and they are willing to spend more money on organic products.
Political	Denmark is a member of the European Union and therefore there are no trade tariffs or barriers (Statista & O’neill A, 2021). However, taxes for certain products such as meat are higher in Denmark than in the Netherlands according to Interviewees 3,5,7, and 8.

3.4 Additional results

Due to the fact that the interviews were semi-structured interviewees were given the opportunity to provide this paper with additional information concerning the export to Denmark. As shown in figure 6, Two interviewees mentioned that the short distance of export positively impacts the costs of transport. Three interviewees mentioned the use of private labels as an opportunity. All eight interviewees mentioned the business culture of Denmark. Moreover, one interviewee gave insight into the market share of large retailers.

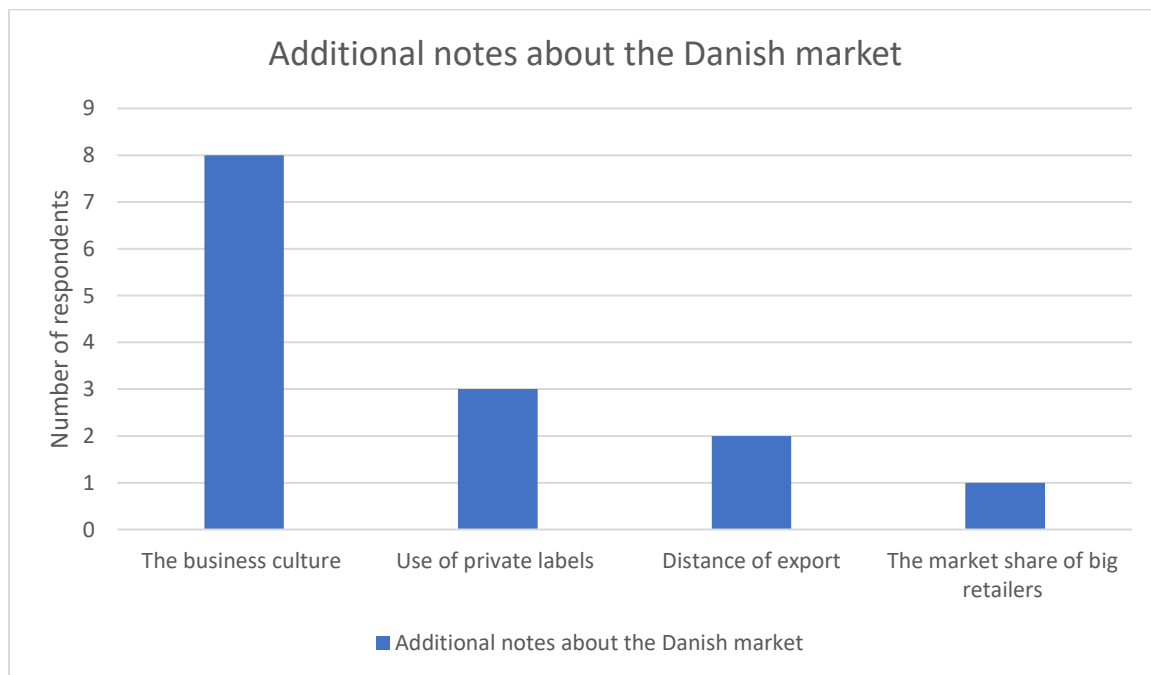


Figure 6: Additional notes about the Danish market

The business culture

All eight interviewees mentioned the Danish business culture and the professional relationships that were built. “I consider the Danish market as very pleasant and due to the little cultural differences and proficiency in English doing business with Danes is very pleasant” (interviewee 5). This was also acknowledged by interviewees 1,2,3,6,7 and 8. Interviewee 4 mentioned that the relationship is rather formal and also comes with clear communication.

Use of private labels

Interviewees 1,3 and 4 made use of private labels. Interviewee 1 argued: “the use of private labels allows you to sell the products to multiple stores without the risk of the perception that they are directly competing with each other”. This was repeated by interviewees 3 and 4.

Distance of export

Interviewees 4 and 8 mentioned the small distance of export to Denmark. Interviewee 8 said: “because of the small distance of transport, the costs of export are comparable to export costs to Germany and other neighboring countries”. Interviewee 4 acknowledged this as well.

The market share of big retailers

Interviewee 8 noted that there were 2 big retailers who are responsible for 85% of the Danish market.

4. Discussion

The main objective of this research is to advise companies that sell organic Dutch dried sausages on the selection process of an export method to export to Denmark. This is done by providing the reasoning why an expert in exporting in the food industry chose a certain method. This report is also supposed to give insight into the Danish market by identifying challenges and additional information. Moreover, this report provides reasoning on why the Danish market is a fitting market to export organic Dutch dried sausages.

To achieve this, the strengths and weaknesses of various export methods have been provided by experts in the export towards Denmark in the previous chapter. This chapter discusses how this data is interpreted. This is supported by pointing out the challenges of exporting to Denmark and the market potential for organic Dutch dried Sausages in Denmark. Moreover, the used methodology is evaluated to provide limitations and strengths. Recommendations and improvements for further research are provided as well.

4.1 Discussion of results

Export methods

All interviewees indicated targeting the off-trade market. Only interviewee 6 indicated also targeting the on-trade market, using an agent. Due to the low response rate for the on-trade market and the use of agents, the conclusions will be made for the off-trade market and the use of an agent as the used export method will not be further discussed.

Direct export and the use of a distributor are the two methods of export that were mentioned the most when targeting the off-trade market. After the analysis of the strengths and weaknesses of both export methods, it shows that the strengths of direct export are the weaknesses of using a distributor and the other way around. The most mentioned strength of direct export is independency which allows the exporter to invest focus, time, and resources in

the desired quantities. The use of a distributor reduces the amount of time and resources that need to be invested but removes the market feeling, customer contact, and direct feedback from the equation. The strength of direct export is to have customer contact, build professional relations and gain market feeling and knowledge. The strength of a distributor is the established market knowledge which is favorable for entering markets. Furthermore, direct export requires certain volumes as mentioned by interviewees 1,4, and 7. Interviewees 3,5,6, and 8 did not mention the need for large volumes as a weakness but indicated they were exporting in high volumes. Interviewee 4 also mentioned that a strength of a distributor is the ability to export small volumes.

Challenges and additional information

The challenges that were faced in the Danish market consisted of the additional documents, the VAT, and cultural differences. Interviewees 1 and 4 mentioned that the Danish consumer might consume dried sausages on different occasions than Dutch consumers do. This can have an influence on the demand and therefore it is recommended to perform a market analysis on the consumption of dried sausages among Danish consumers to gain insight into their eating habits.

The additional salmonella test for, meat products, that was pointed out by interviewee 5 was not supported by interviewee 7 who said that the salmonella test was necessary for Sweden but not for Denmark. To get clearance it should be further investigated if and for which meat products extra salmonella testing is necessary. The additional testing time can impact shelf life and is, therefore, a threat.

The high VAT for specific products was mentioned as a threat but after further explanation by interviewees 3,5,7, and 8 the higher VAT should not be considered as a threat as it does not impact profit margin. Interviewee 7 “the Danish consumer is used to high prices for food and the taxes are directly transferred to the consumer.

The additional information that the interviewees provided due to the use of semi-structured interviews provide extra points of view that can be taken into account. The relatively short distance of export noted by interviewees 4 and 8 is a reason why it is favorable to export to Denmark as the export costs will be lower. In addition to this, the professional relationships and way of doing business between the interviewees and the Danish customers were considered pleasant and in many ways similar to doing business in the Netherlands. This is also a reason for gaining market knowledge and thus direct export is easier to establish.

Interviewee 8 noted that there are two large retailers that account for 85% of the market share and small specialty stores that have little market share. Further research to determine potential customers within the off-trade market should be done to determine which customers to target. Interviewees 1, 3, and 4 noted selling products under private labels which allowed them to target direct competitors. The use of private labels could increase the number of potential customers and therefore a positive relation to revenue growth.

Demand

The DESTEP analysis provides information on the Danish market and shows that the market for organic products is growing. Moreover, the Danish consumer spends the most per capita on organic products in the whole European Union (Trániček et al., 2022). Interviewees 2, 3, 4, 7, and 8 acknowledged there is an increasing demand for organic products. Moreover, the global demand for dried sausages is growing according to 360ResearchReports (2020) and the consumption of dried, salted, or smoked meat products has grown in Denmark as well (Statista, 2022b).

4.2 Discussion of methodology

This research is created using a qualitative research approach where the data has been gathered through the use of semi-structured interviews with people who are heavily involved with the export of food products to Denmark. The use of a qualitative research method provided more in-depth answers and broader explanations as to why these answers were given (Rowley,2012). The first and second sub-questions have been answered by processing the data that was collected through semi-structured interviews with people who are heavily involved with the export of food products to Denmark. The use of semi-structured interviews allows the interviewees to provide additional, information and expand the topic which can provide new insights which can be of use for the research (Magaldi & Berler, 2020). Furthermore, the interviewees are more likely to respond to an interview than a questionnaire as these are key informants with specific job titles (Rowley,2012). These key informants are harder to locate, contact, and receive a response due to the limited number of Dutch export managers that focus on the sales of food products to Denmark, The result is that the number of respondents is limited and could therefore be seen as less representative.

It was a challenge to target the right people to do the interviews, The reason for this is that the description for an interviewee was detailed and the requirements are often not promoted within a job title. Furthermore, qualified respondents had restricted time and were often not available for an interview. The minimum number of respondents has been met and therefore the research can be considered viable.

An additional challenge was, because this research is product-specific, finding the right information about the organic dried sausage market in Denmark. Information about dried sausages is difficult to gather as it is a specialty product. Because this research focuses on the organic variant it was harder to retrieve, on top of that the research was also country-specific which narrows down the response rate of useful information.

5. conclusion and recommendation

This research was conducted to advise Dutch companies that are looking to export organic Dutch dried sausages to Denmark. This is achieved by identifying the strengths and weaknesses of certain export methods, identifying threats when exporting to Denmark, and analyzing the demand for organic Dutch dried sausages. This was done through semi-structured interviews with experts on the export of food products to Denmark and a literature review. The usage of interviewees in the broader food sector has provided answers that could also be used by companies that are looking to export other food products to Denmark. The aim has been realized and therefore the main question could be answered; “what export method can be used best to export organic Dutch dried sausages to Denmark?”. The main question is answered through the use of three sub-questions.

1. What are the ways of export that professional exporters in the food industry use and why?
2. What are export challenges in Denmark and how to tackle them?
3. How big is the demand for organic dried sausages in Denmark?

Dutch food exporters use both direct export and distributors to target the off-trade market in Denmark. The use of direct export or a distributor depends mostly on two variables; the volumes that will be exported and the willingness to allocate resources.

Extra attention needs to be given to the eating habits of Danish consumers as well as to the additional salmonella test that might be necessary to export. The challenges and opportunities that are provided can help to successfully export to Denmark

Denmark has the highest consumption per capita of organic products, combined with the growing organic market and the growing consumption of dried sausages both globally and in Denmark. Therefore, it can be stated that there is recognizable demand for organic Dutch dried sausages.

The strengths and weaknesses of the export methods, the challenges during export as well as the expected volumes of export, and the willingness to allocate resources can help decide on the best-suited export method for a company.

5.1 Recommendation

The results from this report can be used by every company that is considering exporting organic Dutch dried sausages to Denmark. The results of the used export methods can also be used by other food exporters once the demand for their product in the Danish market is identified. The report is meant as an advisory report to advise and educate companies that are considering exporting to Denmark about the Danish market and the possible export methods. It is advised to identify potential customers and create an export plan where volumes are discussed before making the choice for an export method. This is recommended to choose the export method that fits the company the best.

It is advised to examine the strengths and weaknesses of the export methods to identify which method is best suitable for the company. Furthermore, it is advised to keep the challenges and opportunities in mind when starting the export to Denmark. This is advised to create a better understanding of the market and the challenges that are present when exporting to Denmark.

The used Methodology retrieved the right answers although an increased focus on organic meat exporting experts as interviewees can provide more specific answers for this market. Further research is recommended on the on-trade market to identify the best suitable export method as this report had insignificant responses for the on-trade market.

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Appendix 1

1. The company you work for is ... can you tell me what products the company sells
 - a. does the product need special transporting treatment
 - b. what is the shelf life for the product
2. Is the product organic
 - a. Specific reason why you started exporting to Denmark
 - b. Do you notice high demand for organic products in Denmark
 - c. Do you notice the growth in organic consumption
3. How long have you been exporting/importing to Denmark
 - a. Have you seen notable changes
4. What are some of the challenges you face when exporting/importing to Denmark (Communication, Market knowledge, Price competitiveness, other).
5. What export method do you use
 - a. Direct export
 - b. Indirect (use of agent or broker)
 - c. Strategic alliance
 - d. Acquisition or Greenfield venture
6. What are some challenges you face with this type of exporting
7. What type of export method would you recommend when starting over
 - a. Direct export
 - b. Indirect (use of agent or broker)
 - c. Strategic alliance
 - d. Acquisition or Greenfield venture
8. What is the reason for that
9. Is there any additional information you would like to provide about exporting to Denmark

Appendix 2

Interviewee 1

Used method	Direct export
	Off-trade
Strengths	
Market feeling	When doing business directly you create feeling with the market and this can help a lot as it creates a more tangible relationship between the buyer and seller. Moreover, when the feeling with the market is established opportunities and threats are spotted earlier. Furthermore, issues can be resolved or addressed directly which could be helpful to resolve problems timely. It is very important to visit customers, identify competitors and explain how your product excels above the products of competitors.
Profit margin	Without third parties involved in the process the total profit margin on the product is for your own company.
Independency	It is up to the company to gain or lose sales and you are not dependent on a third party to increase turnover. This gives a certain feeling of control and it can be decided by the company itself to invest more time and resources into the export or not.
Weaknesses	
Market knowledge	Market knowledge is a weakness especially for a company that is beginning to export. The language is different and the way people do business can differ. It can be very difficult to find new companies that would like to buy your product as there is no knowledge of the players in the market. It is also difficult to know which competitors are active in the market.

Need for volumes	When exporting directly it is very important to make sure that the profit margin is still sufficient. The profit margin on pita bread is very low and therefore the costs need to be divided among large volumes to make sure profits are still being made.
Threats	
Cultural differences	First of all, the Danes are not that different compared to the Dutch, but this weakness is more about the cultural differences in the use of a product. Products can be used in different ways in other countries, think of hagelslag in the Netherlands where it is used on bread compared to other countries where it is solely used as decorating sprinkles.
Damages to product	Export requires a long logistic process and a lot of handling, in all these steps the products can be damaged. Pita bread is vacuum-sealed and a lot of complaints involve ripped packaging. When vacuum sealed the product has a shelf life of 6 months but after it is opened it will spoil within days.
Additional information	
A lot of the sales were done under private label this allowed the company to offer the same product to competitors within the market under their own label. In this way there was no competition and the revenue was increased. The product had to be transported at ambient temperatures. Everything that gets attention grows and that is also true for revenue in the Danish market, it is important to invest time and resources to make Denmark a profitable market. The Danish market for me is more about increasing export and not setting up new export ways therefore it is more copy/paste work with using export methods than starting over.	

Interviewee 2

Used method	Distributor
	Off-trade
Strengths	
Time and Resources	A distributor allows the company to focus on production and sales in other markets. There is only one party that you have contact with instead of several, this costs less time and resources.
Weaknesses	
Contact with end-customer	There is almost no contact with customers further in the chain and therefore you do not know exactly where your products are located in the country. Furthermore, complaints will be forwarded to the distributor so you might never be informed of what went wrong.
Product knowledge	The distributor has less knowledge about your product. Some products require some storytelling and brand knowledge.
Profit margin	The distributor needs to have a profit margin and the products still need to sell. This is impacting the profit margin that the company receives on the products sold to the distributor.
Threats	
Additional documents	The export requires additional documents. This is all done by a third party so I do not know which documents specifically but these also depend on product and country. These documents are necessary and will bring additional costs and take additional time.
Incoterms	The way the transport is handled is very important and it is of utmost importance to have discussed the incoterms clearly to make sure everybody knows when the responsibility for the products is transferred.
Additional information	

The product is pasteurized and has a shelf life of 6 months and the transport needs to be chilled. Organic products are produced by the company but in lower volumes as it requires a change in the production plan. Therefore, Organic products are not exported.

Interviewee 3

Used method	Direct export
	Off-trade
Strengths	
Independency	Being responsible for your export and receiving all the profits is a strength but comes and goes with how well everything is accounted for. Having a solid logistics company, clear terms with customers, full container shipping and the investment of time and resources.
Market feeling	Market feeling is a strength of direct export but it has to be created first. Getting to know customers and building a good professional relationship helps with tackling issues and having a reliable partner.
Customer contact	Because of the direct line between the company and its customers, problems can be reported more easily and direct export equals direct feedback. This allows the company to improve, adjust or respond better and quicker.
Weaknesses	
Market knowledge	Market knowledge is very important and this is something that distributors or agents have more as they are often located within the market, know the language and have a network of customers already.
Threats	

VAT	Denmark has product specific taxes that differ from the ones in the Netherlands for ice cream it amounts to 25%. It does not impact the export that much as the competition deals with the same taxes and most of it is directly transferred to the consumer price.
Cultural differences	The Danish have a quite similar professional culture and therefore it is convenient doing business with them. It is advised to not be overly direct for which the Dutch are well known for.
Additional information	
<p>The export is focused on big retailers and large volumes. The product is sold in consumer packaging and it is mostly done under a private label. There is interest in creating an Organic line of products and a concept has been created but the volumes are still too small to export which will decrease the profit margin. The Danish Organic market is very interesting and growing but we do not act on it just yet. Direct export is being used for Denmark but this always depends on the country. Denmark is close by and small and therefore direct export is used. For the United Kingdom and France, a distributor is used for the reason that they have a lot of market knowledge and a vast network of customers.</p>	

Interviewee 4

Used method	Direct export
	Off-trade
Strengths	
Independency	Being independent and responsible for every sale or problem allows you to respond quickly and have a better connection with the market.
Profit	Without having a third party between the production and sales the profit margin is higher and this should outweigh the extra costs to do the export yourself.
weaknesses	
Need for volumes	Direct export requires volumes as you need to get the containers filled otherwise it would be too expensive per product and this will kill your profit margin.
Used method	Distributor
	Off-trade
Strengths	
Small volumes	Rye bread is also exported to Denmark but this is done in such low volumes that we can not fill a container and therefore we make use of a distributor. They fill their containers with multiple goods and therefore the costs are lower than if we would use direct export.
weaknesses	

Profit	A distributor needs margin for themselves and therefore the product is sold with a lower profit margin for us.
Threats	
Labeling	Danes are very strict on labeling and all these labels need to be translated into Danish. This can be challenging and expensive as the new labels will also cost extra money.
Eating Habits	Danish people have different eating habits than the Dutch people do. in the Netherlands we have a culture of having a moment to sit down and drink some beer or wine with different snacks such as toast, cheese, fried snacks, and sausages. and the Danes do have not the same habits as the Dutch do therefore the use of melba toast would be at different times or less frequent.
Additional information	
<p>We do business with the big retailers in Denmark mostly under a private label. The shelf life of the product is 9 months to a year and ambient temperatures are good for transport. we do not use our own transport instead we let the Danish customer collect the products. therefore we have little warehousing and less concerns about transport. Business with Danes is very formal and the relationship is platonic but the communication is very clear. The organic market in Denmark is indeed advanced but at the moment the organic market is not in the same volumes as our normal products.</p>	

Interviewee 5

Used method	Direct export
	Off-trade
Strengths	
Communication	The communication between both parties is very well and especially because there is no party in the middle that has to forward every message. Because we work with fresh products that have a short shelf life it is important to have direct communication with the partners to reduce loss of time.
Weaknesses	
Market knowledge	Market knowledge is very important and it is something that will take time when starting direct export. Denmark is close by and has a low cultural difference from the Netherlands therefore Direct export works out fine. For countries outside of the EU, we use Distributors as they have more knowledge of the markets they operate in.
Threats	
Additional documents	The Danish market requires an additional salmonella test for meat products. The test takes a day and this is impacting already short shelf life. The shelf life is 8 days and with this test and transport, this is already shorter. It also increases the product cost because of the extra action that needs to be taken.

VAT	The taxes in Denmark are Different and for meat products, this difference is from 9 to 25 % taxes this is a lot and needs to be taken into account.
Additional information	
Both frozen and raw chicken is exported and they need special transport conditions to be chilled or frozen. The organic market is very present in Denmark but we have no organic products. We do have “1 ster beter leven” chickens but this is not something that the Danes are aware of. I always experience the Danish market to be very pleasant and the low cultural differences create good and clear communication.	

Interviewee 6

Used method	Direct export
	Off-trade
Strengths	
Independency	Not being stuck on contracts and being able to grow is very important. with the investment of additional time and resources, growth can be achieved and you do not depend on a third party.
Weaknesses	
Time and resources	Direct export requires a lot of time and resources and the transport needs to be fixed, this requires a lot of attention.
Used method	Agent
	On-trade
Strengths	

Market knowledge	Because on-trade consists of a lot of small customers it is very convenient to work with someone that has connections and distribution capabilities. Also, proficiency in the Danish language and habits are very helpful.
Weaknesses	
Growth	The problem we face is that the agent we work with currently has a contract for the coming two years but we notice that there is little growth in a market full of potential. Therefore we search for a new agent that is more capable of growing along with us.
Profit margin	The agent gets a part of the profit and therefore the company itself takes less.
Threats	
Labeling	Labeling, documents and the language is something that can be a challenge in Denmark as they have a lot of strict rules and the labels need to be specially made for the market.
Additional information	
<p>The direct export is done by ourselves and the products are delivered to the warehouse and there the exchange of ownership happens. because La Trappe has a contract with Bavaria we are able to fill containers more easily with different products to reduce export costs. The export with the agent is ex-works and the agent needs to pick the products up themselves. The organic market is very interesting and La Trappe has one organic product but the facility is currently producing at a maximum quantity and therefore the focus is on the core range of products. If we would promote Organic products there might be a demand but we do not have the capacity to fulfill it, therefore, Organic products are not discussed for export. The working relationship with Danes is very relaxed and everybody is treated as equals.</p>	

Interviewee 7

Used method	Direct export
	Off-trade
Strengths	
Independency	You are responsible for your own sales and nobody is calling the shots for you. there are no people in between you and your customer.
Market feeling	It requires time and can be difficult at times but after a while of exporting you will create the market feeling and gain knowledge of the market. This will increase the sales as you now know what to do and what not. Also, the professional relations with your customers are getting better and Danes are quite loyal.
Knowledge of product	When exporting yourself you can better sell your product as you have the full knowledge of the products. A lot of products, especially quality or specialty products, require that the story is told to differentiate the product from the competitors.

Weaknesses	
Market knowledge	If direct export is used it requires a lot of market knowledge which is very hard when starting with exporting. Danes speak English very well but language is still a barrier for example on the labels. Moreover, when doing direct export it is hard to keep good contact with customers you can not visit easily as it is far away so everything has to be done online and via the phone.
Input of time and resources	Direct export calls for a lot of input of time and resources of the company. New customers have to be contacted and the transport needs to be arranged.
Need for volumes	Direct export is only achievable when exporting in such volumes that full containers can be filled. The costs of exporting yourself need to be divided over volumes to decrease the impact.
Threats	
Legal aspects	The legal aspects can be a challenge as the Danes are very strict on warehousing and product quality. Also, the labeling of products can be challenging, it needs to be translated and prices need to be in Kroner. Furthermore, it is not necessary to do an additional salmonella test which is necessary for Sweden.
VAT	The VAT is much higher than in the Netherlands. The VAT on meat products is 25% in Denmark compared to 9% in the Netherlands. It does not really create complications as the costs of the VAT are directly impacting the consumer instead of the company.
Additional information	
<p>The mentality of the Danes is quite similar to the Dutch. Doing business with Danes is very convenient. Professional relationships are very formal. The Danish consumer is focused on quality and ecologically responsible choices whether it is Organic or how animals are treated, for example white or rose veal Danes only buy rose. Danes are willing to spend more on such products and have money to spend. The product has a 40 days shelf life after production and needs to be transported in chilled conditions.</p>	

Interviewee 8

Used method	Direct export
	Off-trade
Strengths	
Independency	There is no need for a distributor or agent as there are few cultural differences, it is close by and the people are highly educated. With direct export, you create a network and the possibility to grow without being stuck with contracts.
Threats	
Exchange rate	Because the Danes use the Danish krone so it is important to always keep an eye on the exchange rates.
VAT	The taxes in Denmark are higher and this is important to keep in mind but the Danish consumer is used to paying high prices for food. Therefore this does not affect the profit margin.

Additional information
<p>Organic products are also exported to Denmark and there it is clear that there is a bigger market for organic products in the Scandinavian countries. Denmark is a small country so the volumes of export are not extremely big compared to other countries. Denmark is a very interesting market as there are two big retailers that serve 85% of the market and specialty stores have a very small market share. Denmark is also very close by and therefore the exporting costs are relatively low, similar to export costs for Germany. The Danes are very trade-focused and are highly educated combined with the low cultural differences this makes trade and communication very pleasurable and easygoing.</p>