

Case Study

Food Manufacturer Begins Serving Russia from Moscow Stock



A leading Italian food manufacturer recognized that the Russian retail landscape was changing rapidly. Consumers were hungry for good food, new sales channels were increasingly accessible, and retailers preferred to work directly with producers instead of purchasing through traditional distributors.

Starting Situation

The manufacturer previously had two distributors in Russia: one for retail, the other for hospitality, vending, and OCS. While yearly growth numbers were acceptable, the market potential exceeded the actual results. While the traditional distribution model was limiting the producer in further development, the alternative of opening their own legal entity was too large a step at the time. The company was not willing to invest the necessary resources to establish a Russian team and infrastructure as they were more focused on China and the USA.

Solution

Based on our established local team and infrastructure, we were able to offer the manufacturer the opportunity to start selling customs cleared products from our Moscow stock with almost no recurring costs and properly manageable risk exposure.

We take care of all local operational and organizational activities, while the manufacturer focuses on sales. We can support the manufacturer by introducing their products to our established local customers because we already work with a range of retailers and specialized partners throughout the region.

Conclusion

The manufacturer received a low investment, manageable risk market entry into Russia in which they retained full control of local prices, terms, and conditions. Hellmann, in addition to performing all local operations, improved sales results by introducing the manufacturers' products to established local customers.

Contact

Wijnand Herinckx
Director Trade Solutions
Phone: +7 926 301 0502
Email: wijnand.herinckx@hellmann.com
www.hellmann-hts.com