

Cardno CEP Serbia Project Paves Way for Serbian Specialty Food Producers to Reach New Global Customers via Amazon

USAID Competitive Economy Project (CEP) pioneered and executed a model to structure trading and logistical support systems to bring Serbian premium food products to international markets. This new model helps open up global markets to expand sales and exports, promote food entrepreneurship, and supports promising SMEs to grow and provide examples for others to follow.

In Serbia, the food processing industry is a strategic growth sector for the country. Due to the many competitive advantages of Serbia's fruit and vegetable (F&V) sector, there is a huge potential for growth and new business opportunities. Within its region, Serbia is the largest exporter of food products, and the only net exporter. The next step is now to penetrate wider international markets and compete on global scale.

Soon after inception, CEP identified key obstacles and constraints preventing the further development of the food processing industry. Some of the key factors included low-value, shrinking domestic and regional markets, and lack of familiarity with consumers, distribution systems and buyers in broader, global markets.

To evade the obstacles, CEP worked with export facilitating partners and other stakeholders to create new sales channels (particularly e-commerce) for high-value Serbian food products with potential to compete in foreign markets, particularly in the US, the number one market in the world. Simultaneously, supporting platforms for improving technology, labeling and branding of products were being established. KoVoli, one of the Project's export facilitation partners for specialty foods, embarked on a path to introduce premium Serbian food products to the US market. With experience of running an e-commerce business in Serbia, KoVoli expanded its reach to facilitate enlistment of at least 10 specialty food products on Amazon.com, a leading global online sales platform.

Over a nine-month long process, KoVoli with partner stakeholders provided technical assistance to these food producers to adhere to Amazon's strict rules and procedures related to online marketing campaigns, product labeling and visual identity standards. As a result, new Serbian products - including craft hot sauces, mushroom spreads and sugar-free raspberry spreads - have been available for purchase on Amazon.com since February 5th, 2020.

Three Serbian specialty food producers, including Min Commerce with Gurman sauces, Stanišić Bio with Forest Secret spreads, and Real Red Raspberry with raspberry jams, have successfully started selling products over Amazon’s platform. Although the companies, due to Covid-19 restrictions, were prevented from being more active in terms of marketing and promotion in the US market, almost 2000 pieces were sold, with bestselling product being Real Red Raspberry 80% fruit spread, followed by Plum sauce and Black Truffle Spread.

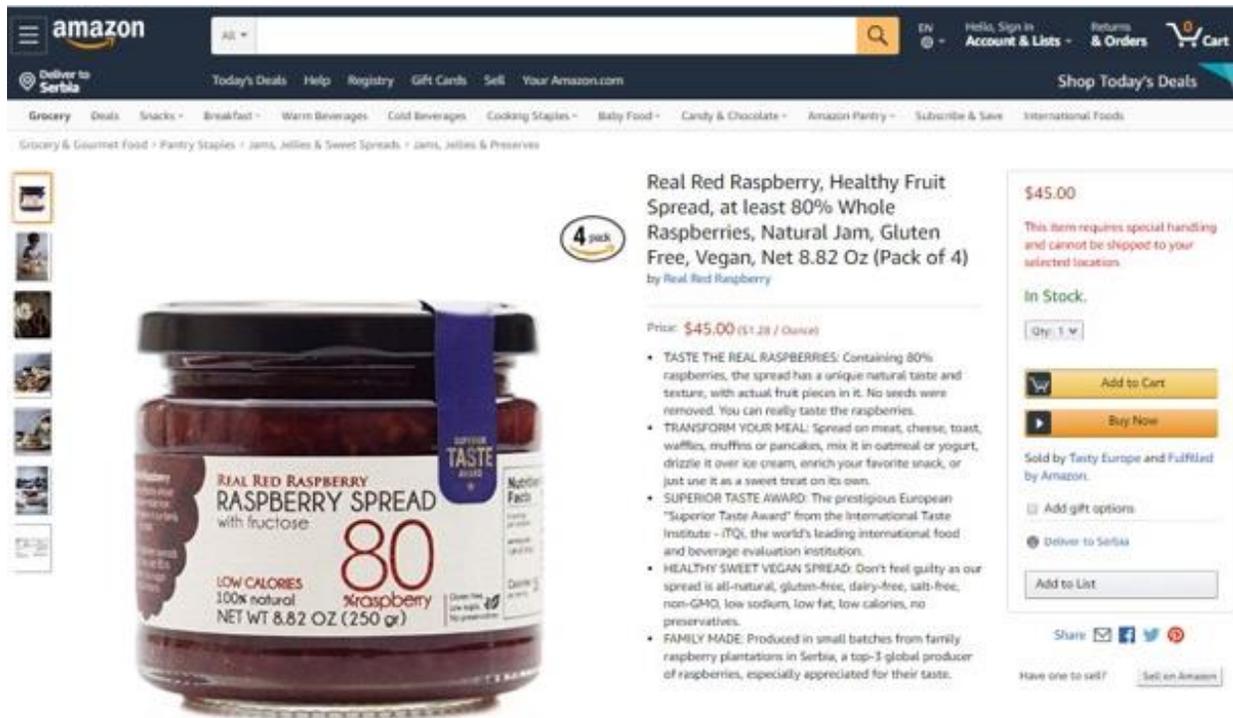


Figure 1: Real Red Raspberry 80% Fruit Spread - <https://www.amazon.com/dp/B082DQDQ14>

The listing of Serbian specialty food products on Amazon.com marks a major success and a significant business opportunity for Serbia’s food companies to showcase their products and further penetrate the US market. It also shows an importance of consolidated e-commerce opportunities, especially those tied to global markets. All companies that worked with KoVoli had to prepare Amazon sales accounts, page profiles and listings for each product. Since listing, these 10 innovative products have been selling to customers across the US for the last 7 months now. In the meantime, KoVoli food hub has already shipped the second batch of products to the US market. Real red raspberry is in stock, while Gurman sauces and Forest Secret spreads will be again available from January 2021.

The product listings on Amazon have already had a big impact on these businesses, especially BioStanišić and Real Red Raspberry, two smaller producers. Both companies report that the positive media exposure helped them find new business partners and opportunities, mostly due to their success on Amazon. Real Red Raspberry had to significantly scale up production to meet new demand on Amazon.com, which is quickly becoming its main sales channel.

These high-quality, innovative food products will also be offered to other US-based distributors and shops through KoVoli's expanding activities in this market. KoVoli food-hub has already established communication with over 70 gourmet shops, 150 restaurants and 10 key opinion leaders/influencers. Product samples were sent to over 30 establishments, which resulted in additional listings and sales in offline sales channels in US. At the same time, KoVoli is negotiating with 6 additional Serbian producers to introduce them to U.S. market.



Figure 2: Nikola Stanisić, owner of Forest Secret, talking about sales on Amazon for Serbian national broadcaster RTS most-watched evening news

Going forward, these initiatives started by CEP will continue to remove obstacles preventing Serbian specialty food producers to expand sales and exports in the US and other high-value foreign markets. Importantly, following the closure of CEP, export support systems will continue to expand through new private label opportunities, new offline and online sales channels and, of course, more listings on Amazon.

Undoubtedly, it's expected that more companies will follow suit in the future.