**Introducing Eboost Super Fuel Energy Drink to Germany**

June 6, 2021

Prepared for:

**Matthew Spolar** COO of EBOOST

Prepared by:

**Chang Zhang**

**Table of Contents**

[Executive Summary iv](#First_heading)

[The Trend of Pursuing a Healthier Living Grows in Germany iv](#First1)

[Lifestyle Changes Increased the Energy Drinks Demand in Pandemic iv](#First2)

[Distribution Strategy iv](#First3)

[Germany as Our First Expansion Choice 1](#Second)

[Formation of Health-Conscious Culture in Germany 1](#Third)

[Popularity of Food and Drink with Healthy Ingredients 1](#Third1)

[Health Industry is Becoming More Attractive in Germany 2](#Third2)

[The Pandemic Have Driven the Pursuing of Healthier Diet 2](#Third3)

[Changing Lifestyle Choices Opens the New Market 2](#Fourth)

[Working From Home Brings New Changes 2](#Fourth1)

[More Outdoor Exercises Creates New Needs 3](#Fourth2)

[Target Market Decision in Germany 3](#Fifth)

[Distribution Strategy 4](#Sixth)

[Eboost German Expansion Overview 5](#Seventh)

[References 6](#Eighth)

[Appendix A 7](#Ninth)

[Appendix B 8](#Tenth)

**Table of Illustrations**

Figure 1- Frequency of key health-related actions 1

Figure 2- Sales of Energy Drinks in Germany 7

Figure 3- Average Gross Income by Age in Germany 8

**Executive Summary**

**The Trend of Pursuing a Healthier Living Grows in Germany**

Germany provides a great opportunity and promising market for the Eboost Super Fuel Energy drink to gain profitability, because of German increasing consciousness of health and the seek for healthier daily energy sources in recent years. According to the German Customers Survey, German’s perceptions of healthy living are growing beyond just the physical health itself, which also include food, exercise, mental wellbeing, and broader lifestyle issues. (Euromonitor International, 2020) In addition, the COVID-19 outbreak aggravated Germans’ worries on health and wellness. German customers’ anxiety caused them to adopt a healthier approach to their eating habits. (Euromonitor International, 2020) All of these factors proves that it’s a great time for Eboost to expand its market into Germany and drive the trend of enjoying healthy and nature energy drinks.

**Lifestyle Changes Increased the Energy Drinks Demand in Pandemic**

During the COVID-19 outbreak, German working life has been significantly disrupted with lots of people required to work from home. A study conducted by the German Ministry of Labour and Social Affairs (BMAS) also indicated that 40% of Germans would like to continue to work at home after the pandemic. (Euromonitor International, 2020) Their new working life caused Germans to seek for new caffeine replacement at home. Moreover, the lockdown in Germany has driven many people to paying attention to the outdoor activities, which increased the number of people exercising, including walking and bike riding. (Euromonitor International, 2020) The increasing outdoor exercises will boost the consumption of energy drinks in Germany.

**Distribution Strategy**

To quickly occupy the market, Eboost should fully use the existing retailing and e-commerce resources in Germany. Eboost can rely on several large retailers like Edeka Zentrale, Rewe Markt, and Lidl which are the market leaders in retailing industry, so cooperating with these supermarkets and retail stores will help promote the product in a short time. (MarketLine, 2021) Furthermore, the e-commerce platforms in Germany like Amazon, eBay, and Otto are gaining popularity, which will provide more opportunities to increase sales for Eboost. Especially as mobile phones are generalized today, retail sales through mobile devices in Germany surpassed 40% of total e-commerce sales in 2019. (U.S Commercial Service, 2020)

**Germany as Our First Expansion Choice**

Germany has become our best option for promoting our products into another country. One important reason is that their perception of healthy life is gradually becoming part of their culture in recently years. German customers are more willing to buy more healthier products in their daily life. The sales health-related products, including health and wellness drinks and foods, are predicted to increasing continuously before 2025. (Euromonitor International, 2021) It offers a great environment to promote Eboost’s healthy and nature energy drinks. At the same time, the work-at-home policy and the increasing outdoor activities for Germans also improve the needs for energy drinks. Appendix A illustrates that the sales of energy drinks will continuously growing from 553.4 million liters to 623.8 million liters between 2020 to 2025.

This report summarizes the current landscape for our product and lists a plan export Eboost Super Fuel Energy Drink to Germany.

**Formation of Health-Conscious Culture in Germany**

**Popularity of Food and Drink with Healthy Ingredients**

In Germany, more consumers are aware of the importance of intaking different kinds of nutrient to maintain a healthier life. In figure 1, 18% of consumers take health supplements and vitamins at least 1-2 times a week; About 26% of consumers take them every day. Additionally, the increasingly health-conscious consumers are looking for added vitamins, minerals and functionality functional drinks that can improve their health. (Euromonitor International, 2021) On the other hand, German customers’ concerns on healthy life and the vilification of sugar consumption have driven them to find foods or beverages with low sugar ingredients and immune boosting properties, especially during the pandemic period. (Euromonitor International, 2021)

Figure 1-Frequency of key health-related actions (Euromonitor International, July 2020)

Chart, bar chart

Description automatically generated

**Health Industry is Becoming More Attractive in Germany**

The sales of health-related products are growing fast in recent years. For example, nutrition and supplements market size in Europe was valued at $31.7 billion in 2016 with a CAGR of 5.9% over the forecast period (2016-2025), attributing to the increase in large number of available commercialized products. (Grand View Research, 2018) Beyond that, Western Europe is one of the top areas for the bulk of global HW packaged food sales and the naturally healthy and functional packaged food sales in Western Europe are estimated to be accounting for 82% of the total health packaged food value (Euromonitor International, 2021) All these factors indicate that the Health and Wellness beverages will be prosperous in Germany and the total sales value are forecasted to grow 3.6% from 2020 to 2025. (Euromonitor International, 2021)

**The Pandemic Have Driven the Pursuing of Healthier Diet**

The COVID-19 outbreak made people to realize the importance of having a healthier diet and keeping healthy. In the lockdown period, Natural Health Packaged food industry boosted in Germany, which resulted in value sales rising by 4% to EUR3.9 billion and volume sales by 2% to 854,00 tons. (Euromonitor International, 2021) In addition, from the Germany customer survey in 2020, 51% respondents are becoming more health-conscious who would like to look for healthy ingredients in their foods. (Euromonitor International, 2020) The healthier diet trend during the pandemic is also reflected in Drink industry. More consumers are looking for beverages which are natural, pure, without artificial ingredients and which contain little or no sugar, which would make drinks containing natural health elements become more popular. (Euromonitor International, 2021) In conclude, the perception of healthier diet under the pandemic period will open the doors for healthier energy drinks to fulfill the needs of more German consumers.

**Changing Lifestyle Choices Opens the New Market**

**Working From Home Brings New Changes**

Under the COVID-19 circumstances, the working from home life has changed the eating habits of Germans. The flexible working arrangements at home impacted the consumption behavior because of the reduced possibility of drinking coffee or energy drinks at the office, giving consumers opportunities to look for new kinds of drinks as caffeine and energy source. (Euromonitor International, 2020) In another aspect, consumers have more chances to cook and eat at home; the survey in Germany found that 74% of respondents cook or bake at home at least weekly; The pandemic will strengthen this trend further as consumers have more time to stay at home. (Euromonitor International, 2020) Home cooking will lead the retail sales to increase significantly. In 2020, the online Food & Grocery retail sales has reached $6.6 billion, with a 50% growth rate since 2018. (Market Line, 2021) Therefore, cooperating with local food retail companies is a great chance to promote Super Fuel Energy Drink in Germany.

**More Outdoor Exercises Creates New Needs**

The staying home policy in the lockdown period has brought to the attention of the outdoor activities and exercises benefits for this country. In 2020, the survey showed that 54% of respondents walk and 46% cycle for exercise every week. (Euromonitor International, 2020) In addition, the Germany government also pays attention to the people’s daily exercise. Because of the 25% high obesity rate among adults the Federal Ministry of Food and Agriculture initiated a plan called “IN FROM” aiming to encourage more exercise in Germany. (Market Advantage 2020) Moreover, the government plans to build more permanent cycleways across the country in future to continuously incentive more Germans join into the outdoor activities. (Euromonitor International, 2020) The increasing activities and exercises point out the rise for daily energy consumption, which implies the accelerating demand for the energy supplement.

**Target Market Decision in Germany**

From the deeply consideration, the final target market in Germany would be the groups within the age 20 to 55. In Appendix B, the average gross income between 20 to 55 ranges from $40,000 to $55,000, with more than 20% growth rate over 2019-2040. In addition, the disposal income for Germans is €23,877.4 in 2020. (Euromonitor International, 2021) Both indicate that Eboost Super Fuel Energy Drink could become a daily consumer goods for these groups.

Additionally, 20 to 55 years old consumers are the mainly group with more physically activities including both light and intensive physically activities which will indicate a high the energy drinks consumption. (Euromonitor International, 2020) Moreover, these groups contain 79% of soft drinks consumers in Germany with 52.3% males and 47.7 females. (YouGov, 2021)

From the perspective of the six consumer types, all types of customers are preferring looking for ways to simplify the life to spending money to save time, which fits the Eboost Energy Drink as a simple way for energy supply. Also, almost 50% of all types of consumers paying attention to the physical health, who participating in physical exercise at least 1-2 times a week; it implies that they are more likely to accept the healthier energy drink in their daily life.

All the traits and trends reveal that Eboost Super Fuel Energy Drinks can satisfy all the wants and needs in the target market.

**Distribution Strategy**

According to the country’s circumstances and regulations, it is a great opportunity for Eboost Super Fuel Energy Drink to expand the market to Germany and gain profitability. As a part of European Union, Germany has the average import tariff rate and the least trade restriction towards the United States, indicating the practicability of introducing this product to the market. (U.S Commercial Service, 2020). In addition, the geographical advantage of near the sea and the opening of both Hamburg port and Bremerhaven port in Germany makes ocean freight as the easiest way to ship our products from the U.S. (iContainers, 2021)

Using the existing retailing resources will quickly build the brand and promote our products in Germany. Edeka Zentrale AG & Co KG, Rewe Markt GmbH, and Lidl Stiftung & Co KG are largest retailing companies with a market share of 9.2%, 7.2%, and 4.3% in Germany. (Euromonitor International, 2021) The cooperation with these companies will appeal more customers in a short period.

Beyond the using the retailing resources, expand Eboost into the e-Commerce market also brings opportunities to increase sales. On average, everyone in Germany is estimated to spent $867 per year in online shopping. (U.S Commercial Service, 2020) In 2020, the online population who were 15 years old or older is 60.12 million in Germany. (U.S Commercial Service, 2020) The friendly eCommerce environment will accelerate the prosperity of our products in Germany. The most popular eCommerce websites in Germany are Amazon, eBay, Otto, Idealo, MeadiaMarket, and Lidl. (U.S Commercial Service, 2020)

Combining the current pandemic situation and the existing sufficient retailing resources, it would be profitable for Eboost company to sell its products through the retail and supermarket brands like Edeka Zentrale AG & Co KG, Rewe Markt GmbH, and Lidl Stiftung & Co KG and expand to the eCommerce platforms like Amazon and eBay to help assist our sales in Germany.

**Eboost German Expansion Overview**

Due to different external factors and the total trend of increasing sales in energy drink industry, selling Eboost Super Fuel Energy Drink in Germany would bring an optimal profitability for the company. More and more people regard the energy drinks daily as a simple way for energy supplement.

The culture trend of healthier lifestyle and diet habits among Germans leads the healthier food and drinks become more welcomed in Germany market. Their seek for natural, pure, without artificial ingredients in energy drinks makes Eboost Super Fuel as a perfect choice. In addition, the increasing working from home population and the increasing participation of outdoor activities and exercises (including walking and cycling) realized that the demand for energy drinks would boost in the future. Furthermore, the beneficial policies and regulations for exporting products into the Germany shows the feasibility for the company to introduce the product successfully.

To maximize the profitability and get the products to customers effectively. First, Eboost should regard groups range from 20 to 55 as the target market and advertise the products towards these groups. Second, Eboost need to use reliable retail channels like Edeka Zentrale AG & Co KG, Rewe Markt GmbH, and Lidl Stiftung & Co KG. These brands will help Eboost to reach a large amount of German population. Third, the eCommerce market is not ignorable. Eboost can perceive platforms like Amazon and eBay as its secondary market in the expansion strategy.

**REFERENCES**

Euromonitor International. (2020). Economies and Consumers Annual. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2020, July). Consumer Overview in Germany. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2020, July). Consumer Types in Germany. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2020, December). Energy Drinks in Germany. Passport.

https://www.portal.euromonitor.com/portal/analysis/tab

Euromonitor International. (2020, July). Megatrends in Germany. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2020, October). Income and Expenditure: Germany. Passport.

https://www.portal.euromonitor.com/portal/analysis/tab

Euromonitor International. (2021, January). World Market for Health and Wellness Packaged Food.

Passport.

https://www.portal.euromonitor.com/portal/analysis/tab

Euromonitor International. (2021, February). Fortified/Functional Beverages in Germany. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2021, February). Fortified/Functional Food in Germany.

Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Euromonitor International. (2021, February). Health and Wellness in Germany. Passport.

https://www.portal.euromonitor.com/portal/analysis/tab

Euromonitor International. (2021, February). Naturally Healthy Packaged Food in Germany. Passport.

<https://www.portal.euromonitor.com/portal/analysis/tab>

Grand View Research. (2018, May). *Europe Nutrition and Supplements Market, Industry Report*. Grand

View.

<https://www.grandviewresearch.com/industry-analysis/europe-nutrition-supplements->market

iContainers. (2021, May). *Ocean freight shipping to Germany*

https://www.icontainers.com/ocean-freight/germany/

MarketLine. (2020, February 22). *Food & Grocery retail in Germany.* MarketLine Advantage.

https://new.marketline.com/Account/IPAccessLogin

MarketLine. (2020, February 22). *Online Retail in Germany*. MarketLine Advantage.

<https://new.marketline.com/Account/IPAccessLogin>

U.S. Commercial Service. (2020, October 6). *Germany Country Commercial Guide*. Import.

https://www.trade.gov/knowledge-product/germany-ecommerce

YouGov. 2020. Soft Drinks - Germany. Statista

<https://www.statista.com/outlook/cmo/non-alcoholic-drinks/soft-drinks/germany>

Zoll. (2021). *Import Restrictions for Goods.*

<https://www.zoll.de/EN/Businesses/Movement-of> goods/Import/Restrictions/Goods/goods\_node.html

**Appendix A: Sales of Energy Drinks**

The following table illustrate the sales of energy drinks in Germany between 2006 to 2025. It provides the opportunity to analyze the macro trends of energy drinks industry in Germany.

Chart, bar chart

Description automatically generated

Figure 2- Sales of Energy Drinks in Germany (Euromonitor International, December 2020)

**Appendix B: Average Gross Income by Age in Germany**

This graph details the distribution of annual gross income of different ages in Germany, which indicates that the income between the group of 20 to 55 ranges from $40,000 to $55,000. It offers the information to help the Eboost accurately choose the target market in Germany.

Chart, bar chart

Description automatically generated

Figure 3- Average Gross Income by Age in Germany (Euromonitor International, October 2020)