

## “Hard Work”

*Susanne Witte Settineri, CEO of the import company, Carl Brandt, on German food in America; the listing requirements of the major US dealers, and the blessings of online trade.*

**Ms Witte Settineri, how do you succeed at striking a chord with the American customers with German products?**

With quality and innovation. Unfortunately, we still have to fight against the prejudice that the German food culture consists only of sausages and sauerkraut. Not everyone knows German products over here. We have to work hard to make them better known.

**Which trade trends are you observing?** With the many millennials, the average customer's age is dropping. The grandmother who used to buy Feodora's cat tongues no longer exists. When it comes to German products, tradition is still important, especially for the old-fashioned Christmas gingerbread cookies and lebkuchen gingerbread. However, young consumers want more sustainability and a healthy product with a story behind it.

**Bearing this in mind, which products are a particularly good fit?**

Currently, Mestemacher bread is our best-seller, because it covers all the above-mentioned trend aspects. Hans Freitag's biscuits are also selling well. In Germany, they are better known as private labels in discount stores. But here, they are also doing excellently as a brand because they provide good quality at a great price.

**Who are the most important trade partners?**

Germans always tend to think of Walmart first, but that's not our most

important customer. In the USA, imported German products are usually international specialties, and Walmart doesn't have the right clientele for this. Apart from this, it's also not easy to get on the shelf at other traditional retailers like Publix or Albertsons.

**What do you mean, exactly?**

Everything needs to be perfect: sophisticated packaging, good quality, and a competitive price. And the listing fees are in the five-digit range - many medium-sized companies simply don't have the means. And even if they did, they would have no guarantee that the goods will stay on the shelves. Then they invested 70,000 dollars, only to be out again after six months.

**How important are middlemen?**

In traditional trade you have to work with distributors. They pay their own listing fees, which means that the US food market for international products is one of the most expensive in the world. In addition, manufacturers have to make promotions four times a year at a discount of at least 20 per cent.

**How do products get onto the shelves more easily?**

For newly-introduced lines in the USA, we supply independent delicatessen dealers or smaller chains directly. We then use them as a springboard to convince the larger dealers.

**Who are you thinking of?**

Chain stores with international departments such as Kroger, where listing fees are significantly lower, are particularly relevant for us. Here, you can even get on the shelf without them in some cases. In addition, you have so-called off-price dealers with considerable sales opportunities, such as TJX and Cast Plus World Markers. With them, we can rapidly sell great volumes, yet without having to pay for listings or promotions. That's the beauty of the USA: There is an almost infinite variety of dealers.

**But the concentration is continuing to increase, isn't it?**

Yes, but at a much lower level than in Germany.

**As in Germany, organic is a trend in the USA. Wouldn't Whole Foods be your dream partner?**

That's the first name you would think of, but you have to come to them with full pockets. Ever since the takeover by Amazon, you can no longer sell regionally. Everything must go through the headquarters in Austin, Texas first.

**What about Aldi?**

It's the same situation as in Germany: major German manufacturers turn directly to Aldi and produce their own brands for the US market. However, the discounters still help us, because they advertise German products and get the customers interested in the first place.

“The listing fees are in the five-digit range. Many medium-sized companies don't have this kind of money.”

**How do you establish new retail customers?**

By participating in the major chain stores' annual category discussions. You need plenty of patience, though. Sometimes, it takes three or four years to get a listing. That's why the smaller markets are so important for imported goods. There, we start with tastings and collect feedback from the consumers.

**Under which circumstances can a German producer risk entering the market, even without an importer?**

The producer's brand has to be really big, and a great deal of money is required at the beginning. Whoever comes with the largest listing offer, ends up getting the most promotions. That's why we advise working with an experienced importer.

**Which role does Amazon play?**

We can sell almost everything directly and there are no listing fees. That's why we are happy when online trade is booming. This is a nice, big, and constantly growing business that improves the visibility of our products.

**Where are your largest growth potentials?**

In our suppliers' innovations. Although the American market is experiencing difficulties, the consumers are always looking for new, healthy products. *lz 25-19*

*The interview was conducted by Mathias Himberg.*



## LEBKUCHEN FOR AMERICA

Susanne Witte Settineri manages the US Carl Brandt Inc. enterprise, which imports German food to the USA as a subsidiary of the zwieback producer of the same name. This includes well-known brands like Coppenrath, Feodora, Halloren, Hassia, Kuchenmeister, Mestemacher, Niederegger, and Wawi. Born in Kevelaer on the Lower Rhine, Witte Settineri moved to the USA with her parents in 1968. Following her Bachelor degree in literature, she started working for the department store John Wanamaker and for Underberg, before joining Carl Brandt in 1989.

Settineri has been on the management board since 2018 and is a member of the German-American Chamber of Commerce in New York.