



# IMPORT/EXPORT: MIDDLE EAST



The Burj Khalifa skyscraper is the magnificent centerpiece of Downtown Dubai.

**“INITIAL TALKS EVENTUALLY LED TO A DEAL WORTH £9M A YEAR.”**  
**STEVE PRICE**

# Volatile but opportunities

THE MARCH SESSION OF THE WEST WALES EXPORTERS ASSOCIATION FOCUSED THE VOLATILE REGION OF THE MIDDLE EAST. THE GUEST SPEAKER WAS STEVE PRICE, EXPORT DIRECTOR OF DR ORGANIC. DAI BLATCHFORD REPORTS.

Given the political tensions and resultant economic uncertainties facing the Middle East, giving a speech on the region was more tricky than usual for Steve Price, export director of Dr Organic. As such, he broadened his approach to also include some of the other regions Dr Organic trades with.

Dr Organic was launched in 2009 by Fred Whitcomb and Steve Quinn, the founders combining their 30 years' experience in the fields of vitamins, supplements and skincare products. The company conceives and makes unique beauty products using natural ingredients.

“The business is underpinned by a specific philosophy, which commits the company to the creation of unique natural products, functional by design but retaining and guaranteeing the specific properties in each core ingredient,” said Price.

“Organic and natural ingredients are used in all formulations with harsh chemicals avoided as a matter of course.”

The company has positioned its products in a mid-range price bracket and established a reputation for purity and efficacy. These values have secured it a distribution agreement with the health food store Holland & Barrett – a company that insists all its products have a discernible link to substances made from quality and purity.

This policy chimes neatly with Dr Organic's products, which include ingredients such as organic aloe vera, organic pomegranate, organic vitamin E, organic rose otto, organic tea tree and organic manuka honey. Price said the differing ranges elicit different responses depending on the country they are exporting to.

In the UK, the product range was launched with

a two-year exclusivity agreement between the company and Holland & Barrett. Launched in 550 of its stores, the marketing plan specified block merchandising, an agreed promotional calendar, targeted staff training, an agreed PR plan together with a television advertisement and website activity.

The advertisement made a significant contribution to sales as it was screened at peak viewing times. The resultant public response helped to double sales in the stores' skincare category. The relationship continues to flourish in the UK with Holland & Barrett's newest store in London featuring the full range of Dr Organic products.

But with the UK market functioning well, the company now has its sights on other horizons including the Middle East. Its starting point for this was utilising contacts already established through Optima Health and Nutrition – a different



Steve Price.

company formed by the founders of Dr Organic in 1994.

“As an example we were in touch with a huge pharmaceutical business in the Middle East that turns over around \$1 billion a year,” said Price. “We went out there and initial talks led to formal negotiations and eventually to signing a contract worth £9 million over five years. They bought into the products and we agreed an action plan that is working well. That said, overseas business demands a different approach to that in the UK.”

A key message that Price relayed during his talk was the importance of establishing good-quality relationships and maintaining them. He also recommended the use of consultants and facilitators and taking a joint approach to exhibitions.

With support from the Welsh Assembly Government (WAG), the company has attended several exhibitions such as Vivaness in Nuremberg and Sana in Bologna. Price said it found these fruitful but has also secured business by simply attending exhibitions off its own back and following up on contacts. The Arab Health Exhibition in Dubai and the Natural and Organic Exhibition in London's Olympia both provided fertile ground for establishing appropriate contacts overseas.

Price was positive about the value of exhibitions. To stress the point he added that exhibiting at Bologna's Sana last September generated more than £1 million of new business turnover for Dr Organic over a 12-month period. And a visit to Tokyo's Vivaness exhibition is planned for

October. That will depend on how soon normality can be restored in Japan after the devastating earthquake that hit the country in March.

WAG has also helped the business identify suitable partners for the company to follow up with. “It is not always the biggest companies that are the best prospect for such cooperation,” Price explained. “More often, it is about those companies that make the best fit with us. We are now well established in Spain and are making inroads into France, a country that is generally regarded as a tough nut to crack. In total, since 2010, we have become established in 26 markets and are looking to increase that total to 50 by the end of this year.”

The overall message of the presentation was that there is no doubt that export opportunities in the Middle East are worth pursuing. Different companies will adopt differing approaches but certain constants exist. One of these is that UK companies have an accepted reputation for quality. This often makes for a good entry point into the market. Also, it pays to use any and all means of gathering market intelligence, especially from previously established contacts. ♦



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