

Export Plan

Export plan for selling Gin to Australia



Department for
International Trade

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Summary

Product

Gin

Exporting to

Australia

Who we are

My name is Simon Dove and I founded Dove Gin in 2012 when I started to distil gin in my garage in Shrewsbury. I came across a book of gin recipes on a visit to The Gin Museum of London. This inspired me to recreate the gin as it was distilled in the Midlands 200 years ago, with a modern twist.

Where we are based

By 2015 the garage was too small for the volumes we produced so we moved to larger premises in rented, shared business space in Shrewsbury.

Why we want to export

Dove Gin is established and selling well in the UK. However, the domestic gin market is now fiercely competitive. We feel that to realise our goal of doubling turnover in the next 3 years we need to look at new markets to assure this growth. Dove has a uniquely British, crafted appeal that is well placed to attract drinkers in overseas markets. We feel that the potential to widen our customer base, especially in the still-developing Asian and Australasian craft gin scene, is immense.

Funding

Total cost

GBP 30,000

Total funding needed

GBP 10,000

Cost and pricing

Direct costs total

GBP 10.00 per unit

Overhead costs total

GBP 23,000.00

Getting paid

Payment method

International bank transfers

Incoterms

Ex Works (EXW)

What is the demand for our product?

Gin imports are hugely on the rise in Australia. The market was worth over 60 million USD in 2019, a massive increase of 25% year on year. This is predicted to continue growing at 9%.

Meanwhile, UK gin imports were worth 12 million USD in 2019. This is a market that's thirsty for gin and very open to new products. In the past 5 years over 75 new distilleries have opened.

Our target age group, 25-54 year olds, makes up 40% of the population. The average income is also increasing - currently 45,000 USD, up 3% compared to 2019.

Australia is also a straightforward export market despite its distance. There are no trade barriers, they speak the same language and have similar tastes in other beverages such as beer and wine.

About the business

How we started

My name is Simon Dove and I founded Dove Gin in 2012 when I started to distil gin in my garage in Shrewsbury. I came across a book of gin recipes on a visit to The Gin Museum of London. This inspired me to recreate the gin as it was distilled in the Midlands 200 years ago, with a modern twist.

Where we are based

By 2015 the garage was too small for the volumes we produced so we moved to larger premises in rented, shared business space in Shrewsbury.

How we make our product

We use vacuum distillation instead of traditional pot distillation. This preserves the richness of flavour and aromas of the botanicals that give our gin its purity of taste.

Our packaging

Our packaging is themed around purity and we use:

- elegant clear glass bottles
- twist caps
- unbleached paper label printed with natural dyes

Our distribution and delivery boxes are 100% recycled cardboard. Each features our distinctive Dove label.

Business performance

Annual turnover: GBP 83k-499.999k

Business objectives

Why we want to export

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Objective 1

Establish the Dove Gin brand in 3 Australian cities (Sydney, Melbourne and Brisbane) by the end of March 2023.

We will target both the retail and hospitality sectors and aim to sell at least 500 units/month within the first year.

- Sydney - 200 units/month
- Melbourne - 200 units/month
- Brisbane - 100 units/month

To be completed by: **April 2023**
Owner: **Sue Hawk, Marketing Director**

Planned reviews

Monthly

Objective 2

To commit 5% of Dove Gin production to exports for the first year and to expand this to 25% within 5 years.

To be completed by: **July 2024**
Owner: **Simon Dove, Managing Director**

Planned reviews

Six monthly

Objective 3

To develop a range of new products with the export market in mind, comprising an initial target of 5 new flavours by end 2022, commencing with blueberry and cranberry.

To be completed by: **December 2022**
Owner: **Sue Hawk, Marketing Director**

Planned reviews

Yearly

Objective 4

To sell at least £750,000 of product in overseas markets in the coming 3 years.

To be completed by: **August 2024**
Owner: **Jenny Finch, Finance Director**

Planned reviews

Three monthly

Target market research

Consumer demand for our product in Australia

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Competitors in Australia

- Poor Tom's Gin
- The Melbourne Gin Company - main local competitor
- Butlers Gin (UK)
- Plymouth Gin (UK) - main British export competitor

Local product trends

There are already over 100 craft gin distilleries in Australia. The main trend seems to be using native Australian ingredients to create a modern twist on traditional gin flavours.

The market is fairly similar to the UK in terms of consumption and age. Gin bars are on the increase in the main cities. Online gin clubs that offer monthly gin subscriptions to their members are also popular.

Average price of our product in Australia?

GBP 25.0

Data snapshot

Total product import value from uk in 2019 (USD)

\$30,154,463

Total product import value in 2019 (USD)

\$47,176,263

GDP per capita (USD)

\$51,693

Average Income (USD)

\$42,151

Total population

25.50 million

Adapting our product

Labeling

Will need mandatory symbol and product warning on drinking in pregnancy.

Research the website of Food Standards Australia New Zealand and check with our international trade adviser.

Research re. any other mandatory labelling requirements - eg recycling symbols, manufacturer/distributor information.

Revisit our current labelling - will it work for the Australian market?

Our initial assumption is yes, but we may need to gather user feedback, eg from buyers, possible trade show attendance?

Packaging

Check with our freight forwarders regarding packaging requirements for safe transit - boxing, wrapping of palettes etc.

Size

As far as we're aware, no change to bottle sizes needed. Needs final check with Australian food standards agency.

Product changes to comply with standards

There will be changes to labelling needed to comply with Australian labelling/packaging standards as given above. No requirements to make any changes to product.

Translations

No translation needed.

Other changes

Documents we need to provide

Certificate of origin

We will:

- check requirements with freight forwarder
- take advice from local international trade team or chambers of commerce if needed

Insurance certificate

We are operating Ex Works terms, so it's anticipated we will not need insurance for product protection. Investigate insurance against non payment, but on first sight we wouldn't need this for the Australian market, especially if we are working under payment in advance terms.

Commercial invoice

Ensure our finance team is up to speed with preparation of a commercial invoice for export. We will liaise with freight forwarders and check with local Chamber of Commerce if necessary.

UK customs declaration

Our agreement with our freight forwarder means we don't have to get into the details when it comes to export paperwork - the freight forwarder does this for us. But we need to make sure that any issues that may arise are dealt with promptly. We've agreed to arrange training sessions with a freight forwarder.

Understanding what's involved helps the Dove team recognise the complexity of export documentation and the importance of providing accurate information to partners. We're hoping this will prevent any unnecessary delays and provide a smoother route to new markets overseas.

Marketing approach

Route to market 1

International e-commerce

How do we promote our product?

Online marketing

Why we selected this route to market and promotional channel

Brand social media accounts. We're building up our connections with Australian influencers - bar owners, gin bloggers and premium gin importers. The aim is to create a buzz around the gin, with a story based around our strong craft gin ideals and UK background. This can work in tandem with the work done by our distributors.

Route to market 2

Agent or distributor

How do we promote our product?

Marketing at events

Why we selected this route to market and promotional channel

We've found that attending drinks industry events and trade fairs was a great way to get the Dove Gin brand known in the UK. Our next step is to do the same in Australia.

Our sales director has also been in contact with gin bar owners in Sydney and Melbourne who are all keen to sample the product. When we launched in the UK, we also ran a series of gin nights in local bars with Dove Gin cocktails and giveaways. We think that could be a great approach for the Australian market too, perhaps

Data snapshot

Total population
25.50 million

Access to internet
87%

Consumer price index
120.812

GDP per capita (USD)
\$51,693

Languages
English, Mandarin, Arabic, Cantonese, Vietnamese, Italian, Greek, other, unspecified,

Urban	Rural
86%	14%

working with a local marketing agency who can do the work on our behalf. Our chosen route to market will be to partner with a specialist drinks distributor that shares our passion for our product, can help with marketing in Australia and get Dove Gin on bottle shop shelves. This can work in tandem with a distribution agreement.

What marketing resources do we need?

Right now it's not practical for the team to travel to Australia, so we're aiming to establish Dove Gin by creating a buzz from the UK. Our research shows that the Australian gin market is similar to the UK. However as a niche British product (rather than local hero), we'll have to adapt the current Dove Gin marketing strategy.

There are already over 100 craft gin distilleries in Australia, so we're focused on what makes Dove Gin unique.

We're capitalising on our historic recipe backstory to make us stand out from the competition. We also know our product design is very appealing - and tastes as good as it looks.

We'll be working with our existing marketing agency Blue Sky to run paid social campaigns to raise awareness of our product in Australia.

Our agency will also help with search engine optimisation so that Dove Gin appears in search results for craft gin in Australia. We're very active on our brand social media accounts. We're building up our connections with Australian influencers - bar owners, gin bloggers and premium gin importers. Once we have an Australian distributor, we'll be able to leverage their promotional channels to reach a wider audience, for example liquor store email marketing campaigns.

Cost and pricing

Direct cost

Raw material cost	GBP	6.00 per unit
Labour per unit	GBP	3.00 per unit
Additional costs	GBP	1.00 per unit
Direct costs total	GBP	10.00 per unit

Overhead cost

Product adaptation	GBP	10,000.00
Freight and logistics	GBP	_____
Agent and distributor fees	GBP	_____
Marketing	GBP	10,000.00
Insurance	GBP	1,000.00
Other overhead costs	GBP	2,000.00
Overhead costs total	GBP	23,000.00

Number of units we want to export

18,000 piece(s)	over the next	3 year(s)
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Final cost per unit

GBP 12.00

Average price per unit in Australia

GBP 25.00

Our net price in Australia

GBP 19.00

Local taxes and charges in Australia

GBP 3.00

Duty per unit

GBP 3.00

Funding and credit

Our total cost

GBP 30,000.00

How much funding we need in Australia

GBP 10,000.00

Peer-to-peer loan	5,000.00 GBP
Bank loan	5,000.00 GBP
Total funding	10,000.00 GBP

Getting paid

Payments method

International bank transfers

This would be the preferred way for international payments.

Payments terms

Payment in advance

Incoterms

Ex Works (EXW)

Travel plan

Travel information

Check current FCDO advice well before travel
(<https://www.gov.uk/foreign-travel-advice/australia>)

Check regulations for bringing product samples - food and drink -
how can we do this legally?

Cultural information

We'd expect the business culture in Australia to be very similar to the UK, so we're not expecting to have to make much change in our approach to business meetings.

Visa required

How and where to get visa:

See latest information on how to get visa at
<https://www.gov.uk/foreign-travel-advice/australia/entryrequirements>

Duration:

Additional notes:

Languages in the target market

English, Mandarin, Arabic, Cantonese, Vietnamese, Italian, Greek,
other, unspecified

Planned travel

Trip 1

Potential trip to Sydney area, Spring 2022. Research needed re.
travel restrictions as above.

Business risk

Risk 1

Accusation from companies in the market that we have infringed their intellectual property - or threat of infringement of our own IP.

Risk likelihood:

Rare	Unlikely	Possible	Likely	Certain
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Risk impact:

Trivial	Minor	Moderate	Major	Severe
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Contingency plan

We have already have undertaken a clearance search to ensure there are no other brands using a the same or similar name. We have started to look at protecting the following in Australia and other potential future markets: - trademarks to protect Dove Gin's name and logo - the design to protect Dove Gin's elegant clear glass bottles - trade secrets As there are strict regulations on how gin can be distilled, obtaining a patent would be unlikely but specific information on Dove Gin's use of vacuum distillation could be kept confidential using trade secret.

Risk 2

Buyers may default on payment, either through corruption or bankruptcy

Risk likelihood:

Rare	Unlikely	Possible	Likely	Certain
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Risk impact:

Trivial	Minor	Moderate	Major	Severe
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Contingency plan

Operate on payment in advance terms if dealing directly with buyers, at least until we have established a longer term business relationship, and before considering the possibility of credit insurance. Establish regular training so that the whole team are aware of the risks of corruption, how this might show itself in their export business and what warning signs to look out for.