MĀNUKA HONEY IN GERMANY

Section 3 of Mānuka honey market landscape - 2022

Germany Overview

Germany is the third largest for honey market size by value and is 9th in per capita value. It is 6th globally for Mānuka imports from New Zealand.

There is high market penetration, with more than 77 brands on Amazon.

There are 14+ stores; dominated by health stores and pharmacies. Health Stores stock a low number of brands, however they offer a high number of products from these brands.

MARKET OVERVIEW 2021-2022

HONEY MARKET SIZE BY VALUE 2022 (USD)

$708M

3rd globally

HONEY MARKET SIZE PER CAPITA 2022 (USD)

$8.50

9th globally

MĀNUKA IMPORT VALUE FROM NZ 2021 (USD)

$30M

4th globally

TARIFF

17.3%

RETAIL OVERVIEW OCT 2022

RETAIL VALUE AMAZON OCT-22

$1,260,654

NUMBER OF SAMPLE BRANDS

46

NUMBER OF SAMPLE STORES

14

Key takeaways

Consumers recognize Mānuka honey for its health benefits

According to our survey respondents, their primary purpose for purchasing Mānuka honey is to treat coughs and sore throats. Purchasing Mānuka honey for digestive health was the second most popular purchase reason.

Mānuka honey is commonly an expensive product

Over a third of Mānuka honey products from our store sample were priced over 20 USD/100g.

Brands need to ensure consumers understand what value they are paying for to prevent shoppers just opting for the cheapest product. According to our survey 33% of respondents consider price to be their top purchase driver, signalling that price holds some importance in market.

There is a low presence of private labels

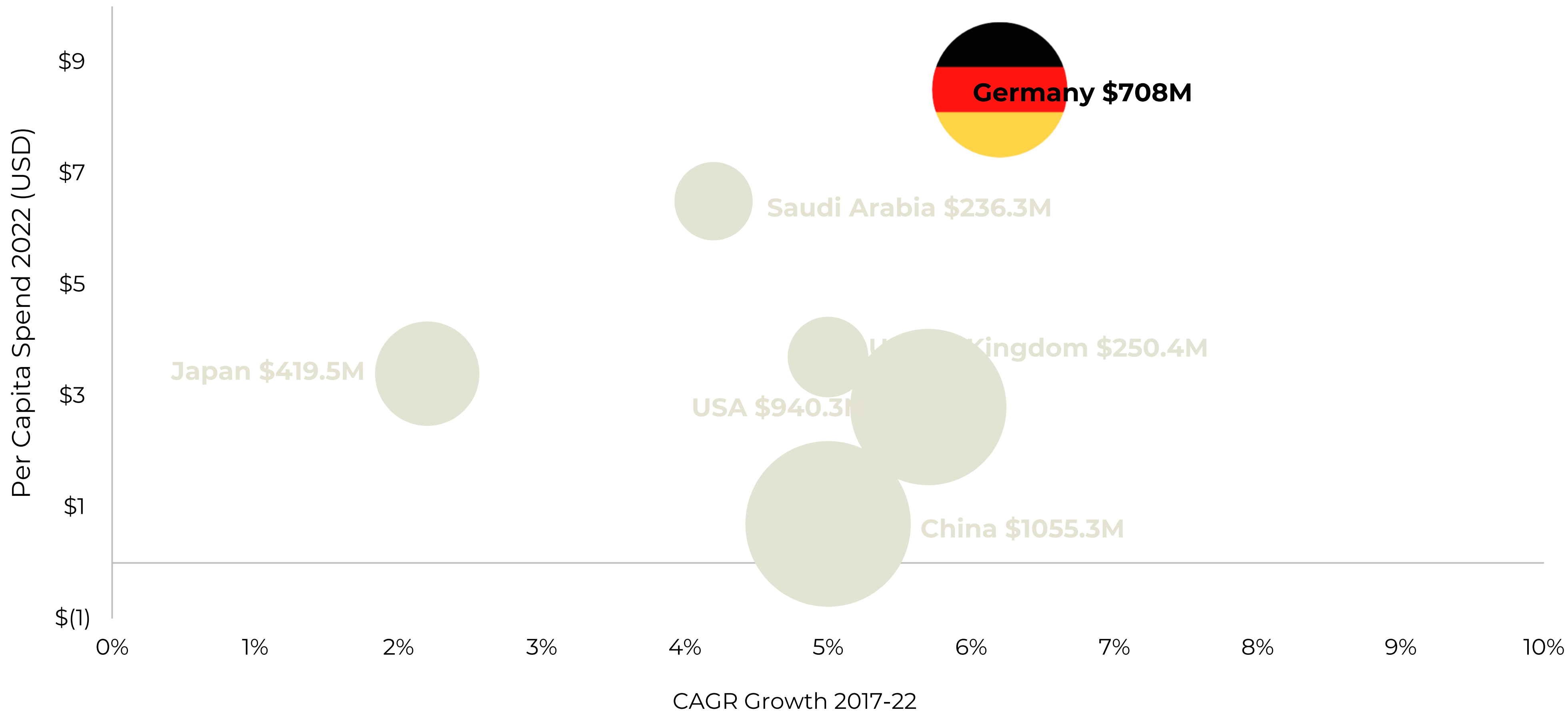
Most products across retailers in Germany come from branded labels. For example, there were no private label/own brand products in our sample of products in supermarkets.

The market is crowded and dominated by main players

The German market is crowded; there were over 400 products available in the 14 stores analyzed, from 46 brands. Amazon featured 182 products from 77 brands. 5% of these brands account for 55% of the Amazon revenue, indicating brand dominance within the market.

Germany is a relatively large, high-growth honey market with a high per capita spend

HONEY MARKET SIZE, PER CAPITA SPEND, AND GROWTH 2022
Value in USD



Source: Euromonitor (2022) – Market Size: Honey

Exports of Mānuka honey from New Zealand to Germany doubled from 2019-2021

Mānuka honey imports across Monofloral and Multifloral, bulk and in retail packs, grew from 15M USD in 2019 to 30M USD in 2021.

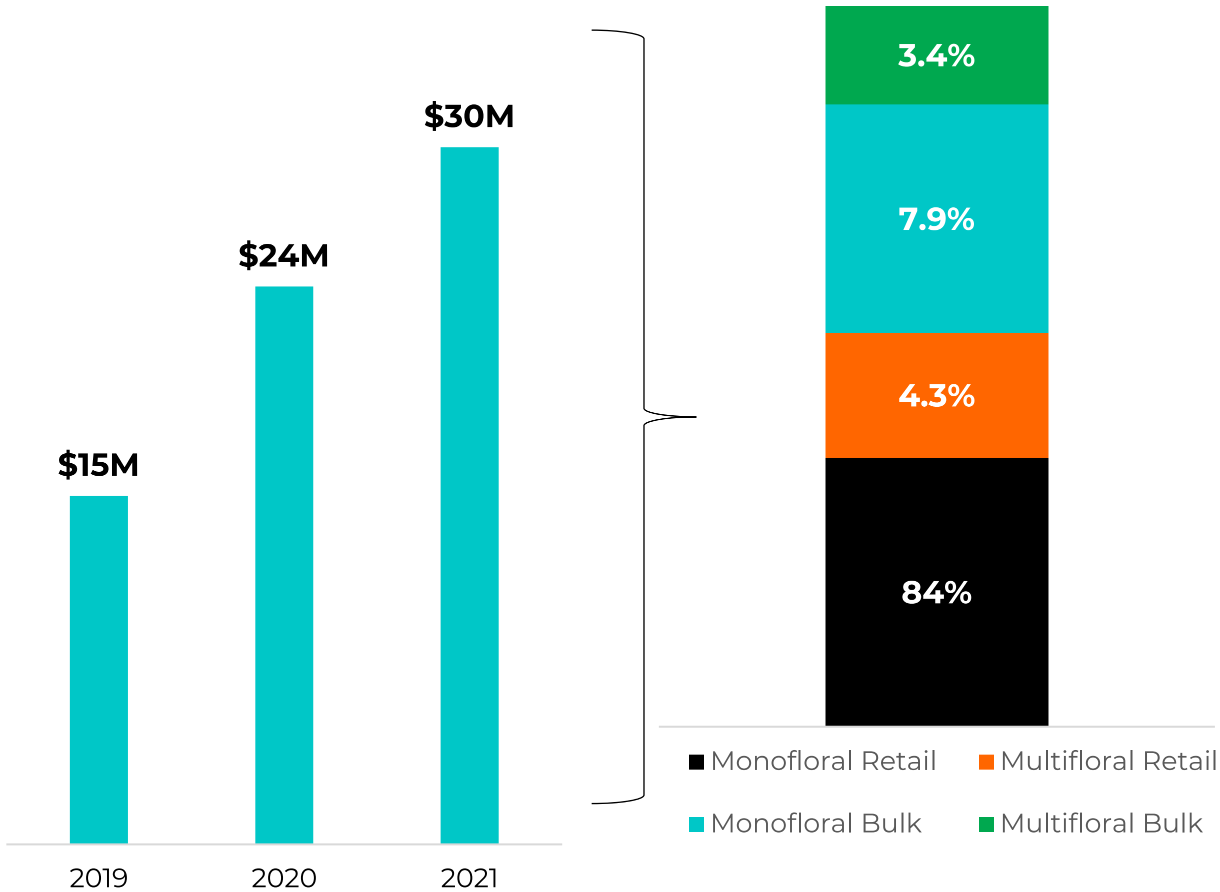
Monofloral Retail Packs make up the majority of imports from New Zealand, at 84% of all Mānuka from New Zealand to Germany.

Monofloral bulk only makes up 8%, while Multifloral bulk and retail only make up 11% combined (8% bulk and 3% retail).

Value in high grade branded product dominates the German market.

MĀNUKA HONEY VALUE IMPORTS
Value in USD

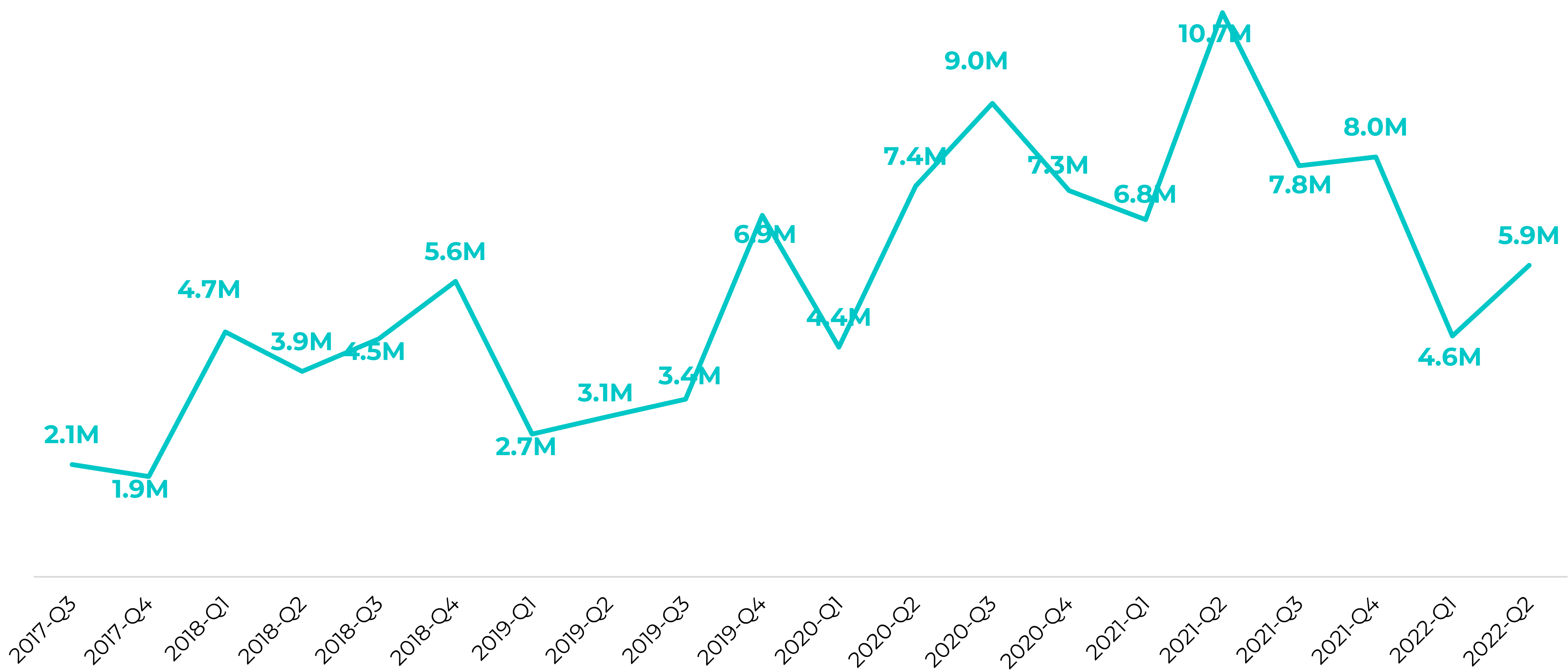
MĀNUKA HONEY IMPORT VALUE BY TYPE 2021



Source – Trademap.org – Export of Mānuka honey trade . HS Codes - '0409000023 '0409000021 '0409000010 '0409000013

Trade for Mānuka honey into Germany has seen a decline in the first half of 2022 compared to 2020 and 2021

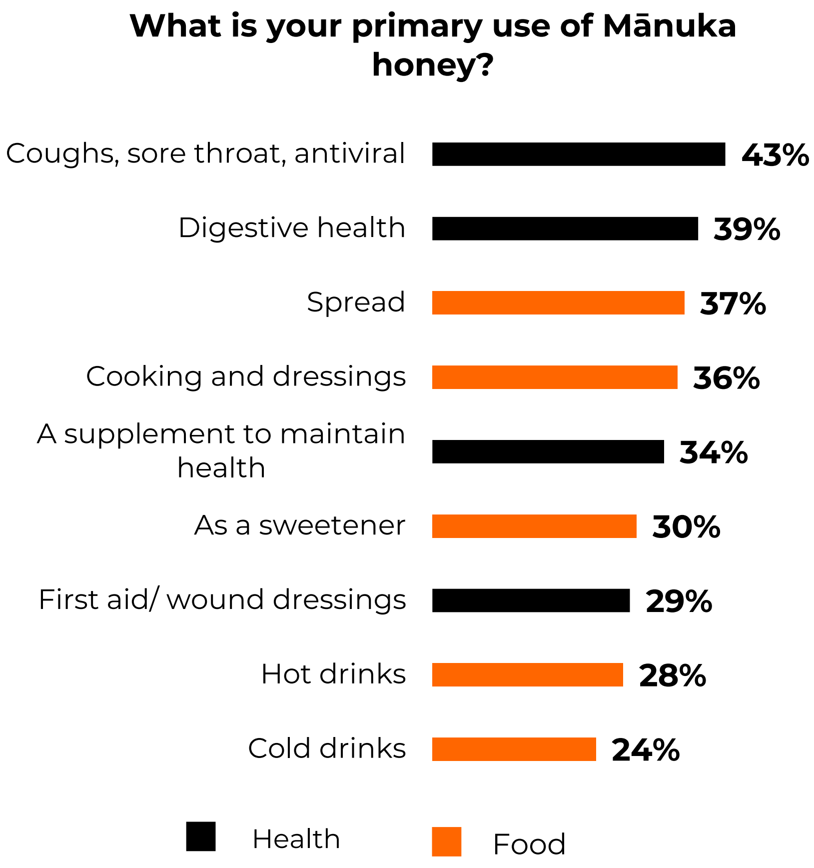
GERMANY IMPORT VALUE OF MĀNUKA HONEY FROM NEW ZEALAND (USD)



Source – Trademap.org, 2022, HS Codes - '0409000023 '0409000021 '0409000010 '0409000013

Consumer Insights

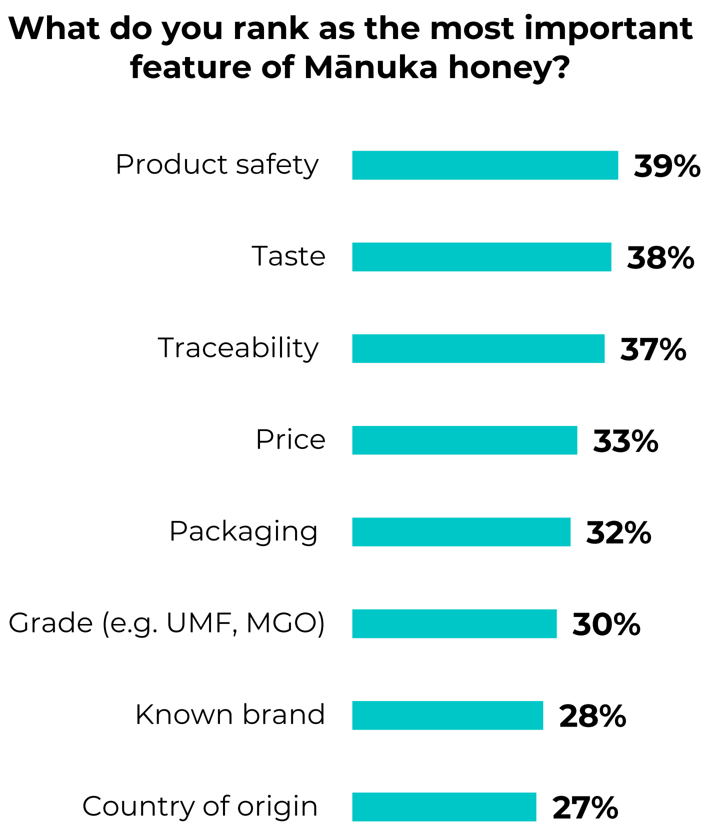
The following slides are taken from our consumer survey, looking at the primary uses, preferred product features and online vs. offline purchases.



Health reasons are the primary purpose for using Mānuka honey in Germany

Beyond the health benefits, utilising Mānuka honey as a spread was a more common primary food purpose ahead of cooking and dressings, and using honey in hot drinks and cold drinks.

Source – NZTE survey, sample Nov 2022, sample size 210

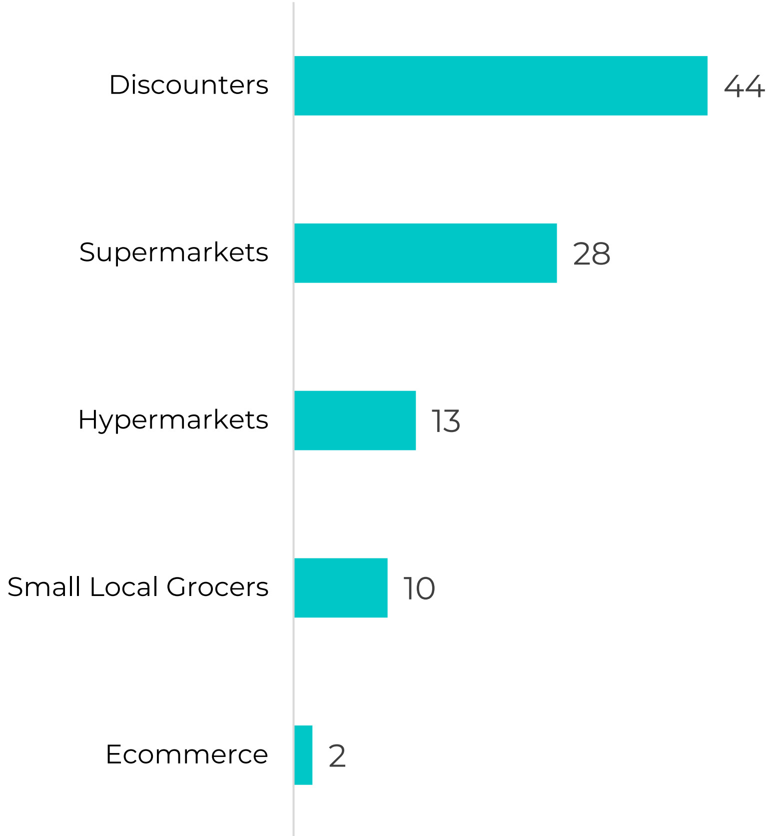


Nearly 40% of respondents say product safety is their top/most important product feature for Mānuka honey

Product safety is an important factor to be communicated in market. In addition, the taste and traceability of the product is an important. Grade is less important, with 30% ranking it as their top purchase driver.

Source – NZTE survey, sample Nov 2022, sample size 210

RETAIL CHANNEL DISTRIBUTION – SWEET SPREADS (%) 2022



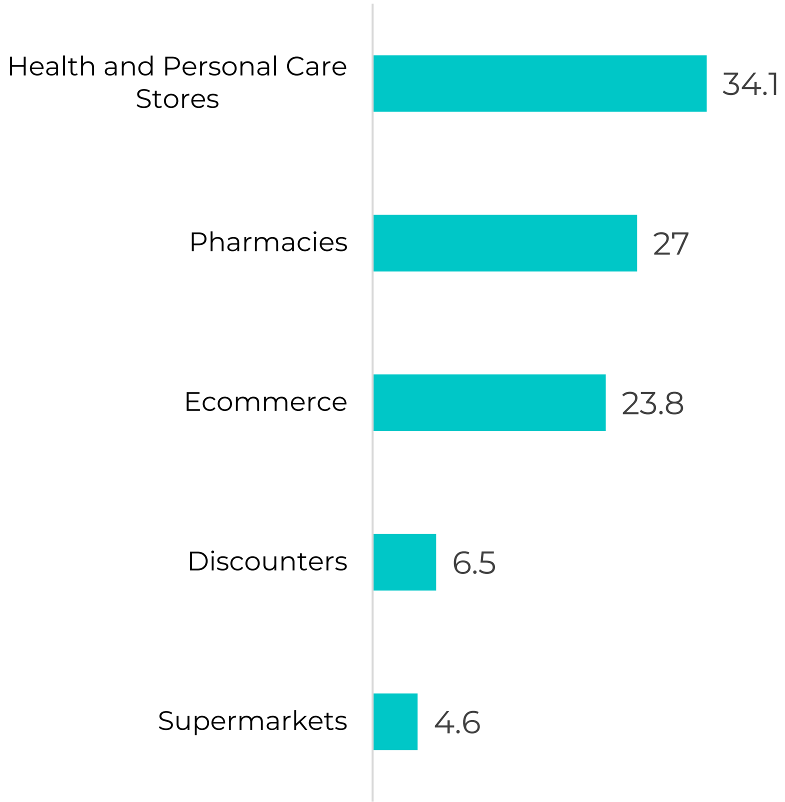
Sweet spreads definition:
This is the aggregation of jams and preserves, honey, chocolate spread, and nut and seed-based spreads.

Discounters are the main retail channel for sweet spreads*, followed by supermarkets

Ecommerce only accounts for 2% of sales in 2022, but is slowly growing (from 0.6% in 2017). In-person purchases are still prevalent. This may be contributed to Mānuka honey being available in popular supermarkets, pharmacies and health stores. While pharmacy is not featured here, product results across key outlets and NZTE in-market team insight indicates that pharmacy and health stores are important channels.

*It needs to be considered that this category covers ALL sweet spreads, including peanut butter.

RETAIL CHANNEL DISTRIBUTION – VITAMINS AND DIETARY SUPPLEMENTS (%) 2022



Vitamins and Dietary Supplements definition: *This is the aggregation of Dietary Supplements, Vitamins, Paediatric Vitamins and Dietary Supplements, and Tonics.*

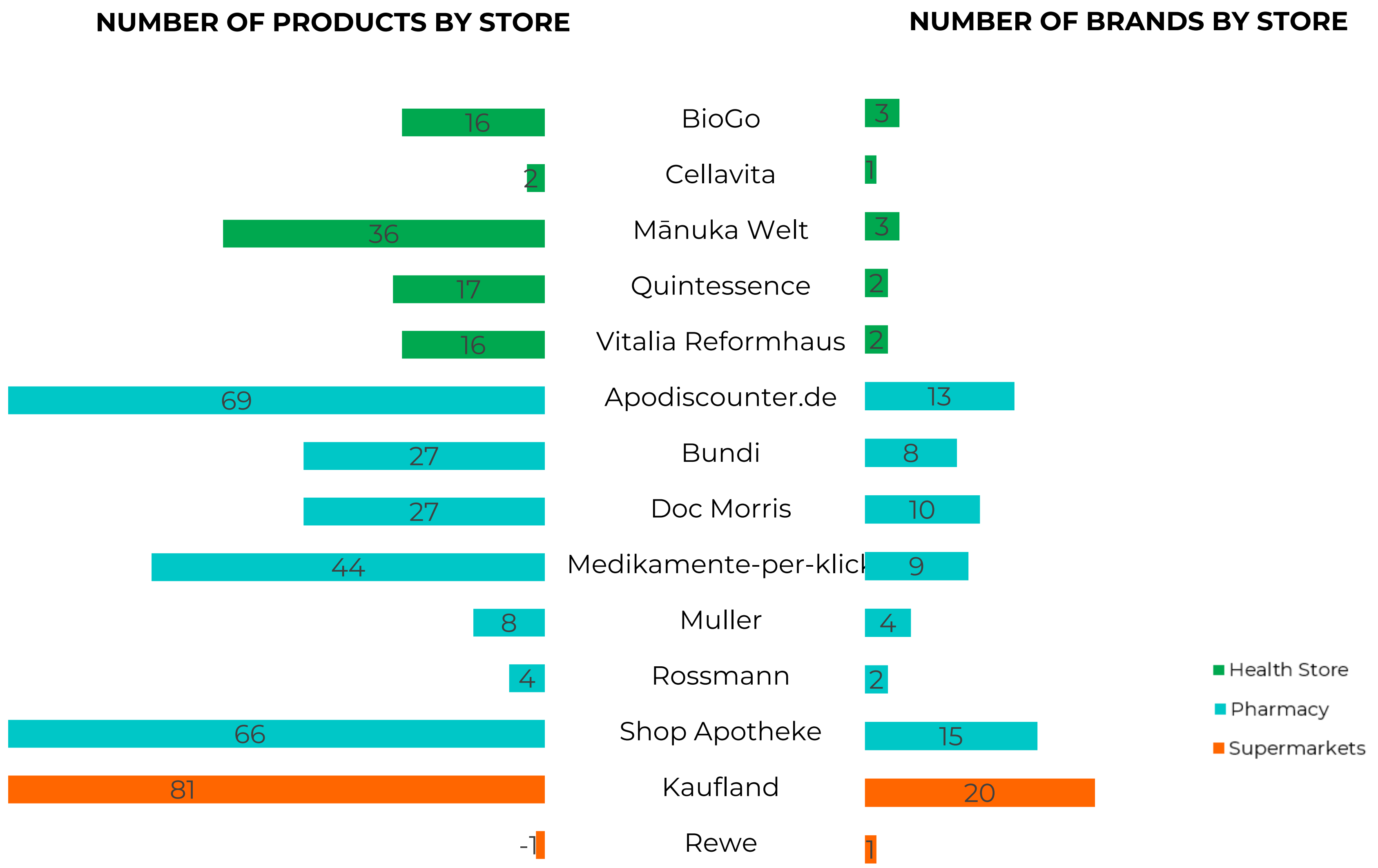
Health and personal care stores are the main retail channel for supplements, followed by pharmacies

Ecommerce accounts for 23.8% of sales in 2022. In-person purchases are still prevalent. Health stores, pharmacies and ecommerce channels are all important channels.

Given the Mānuka Honey consumer purchases with the same mentality as choosing vitamins and dietary supplements, it's good to understand performance in this category.

The following slides look at the online distribution of Mānuka honey in Germany

Health Stores stock a low number of brands, however comparatively they offer a high number of products from these brands



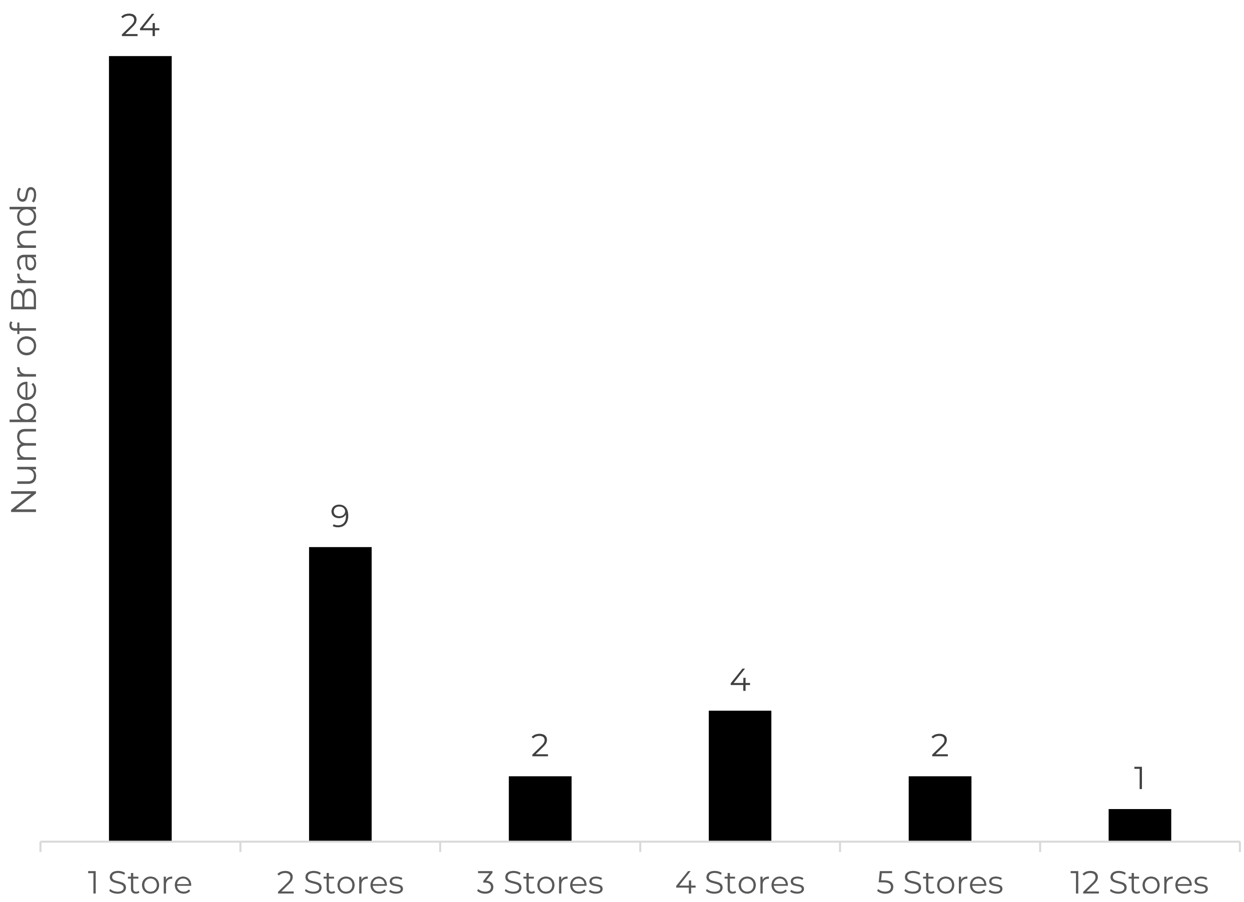
Source: Online distribution channels sourced October/November 2022 by NZTE

Brands are most commonly in one or a few stores. 57% of brands are only available in one out of the 10 sample stores analyzed

There were seven brands which were stocked in four or more stores.

- 'Brand A' was available in the highest number of stores.
- The bulk of brands were only available in a low number of stores. Interestingly, few of these brands were private label/own-brand options.

NUMBER OF STORES SAMPLE BRANDS ARE SOLD



Source: Online distribution channels sourced October/November 2022 by NZTE

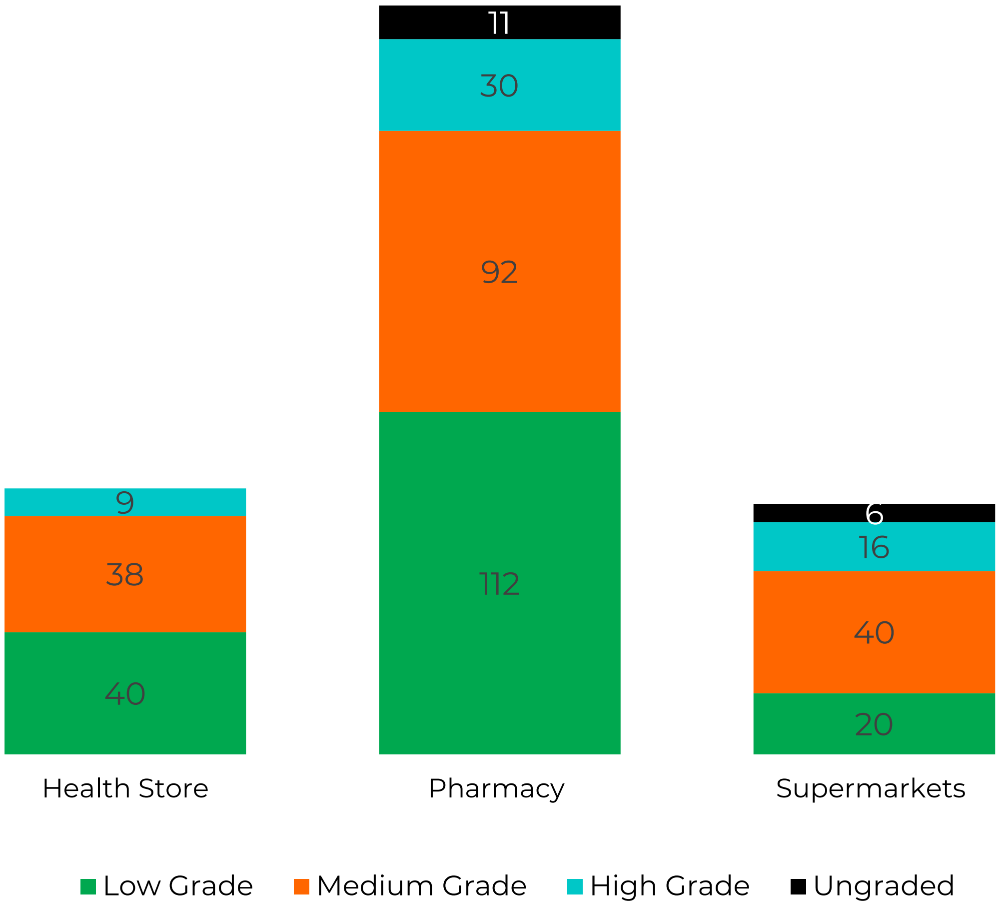
The full range of grades, from ungraded to high grade, are available across store types

Pharmacies carry a large number of grade options.

- Low grade options are the most populous options in the pharmacy and health store categories. However, medium grade products are only marginally behind in product count.
- Medium grade options are the most prominent option in supermarkets.
- High grade Mānuka honey is available across all retailer-types.

GRADE

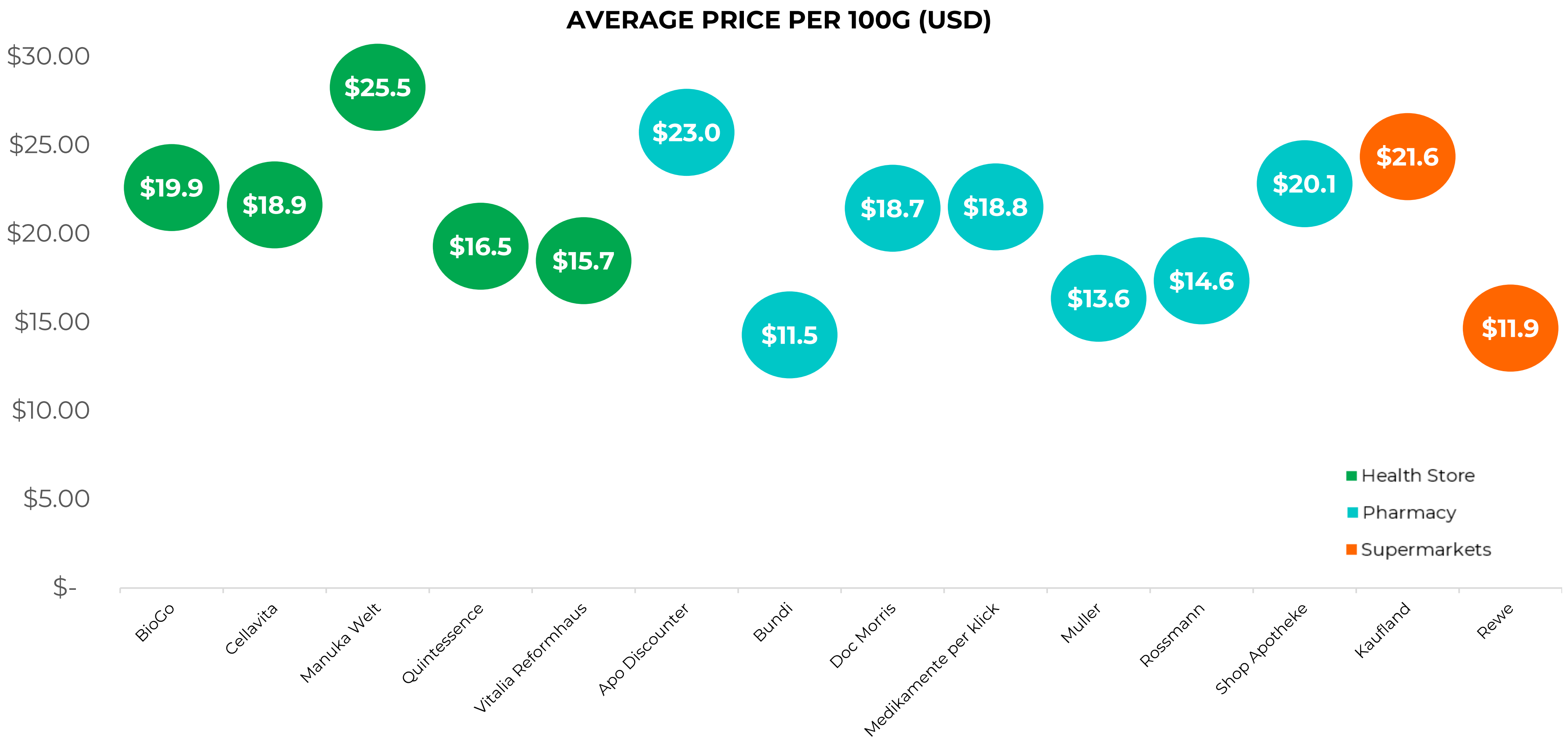
NUMBER OF PRODUCTS BY GRADE ACROSS STORES



Source: Online distribution channels sourced October/November 2022 by NZTE

Average price varies more by individual retailer, as opposed to store type

Brands should consider whether their pricing strategy aligns with the retailer's pricing.

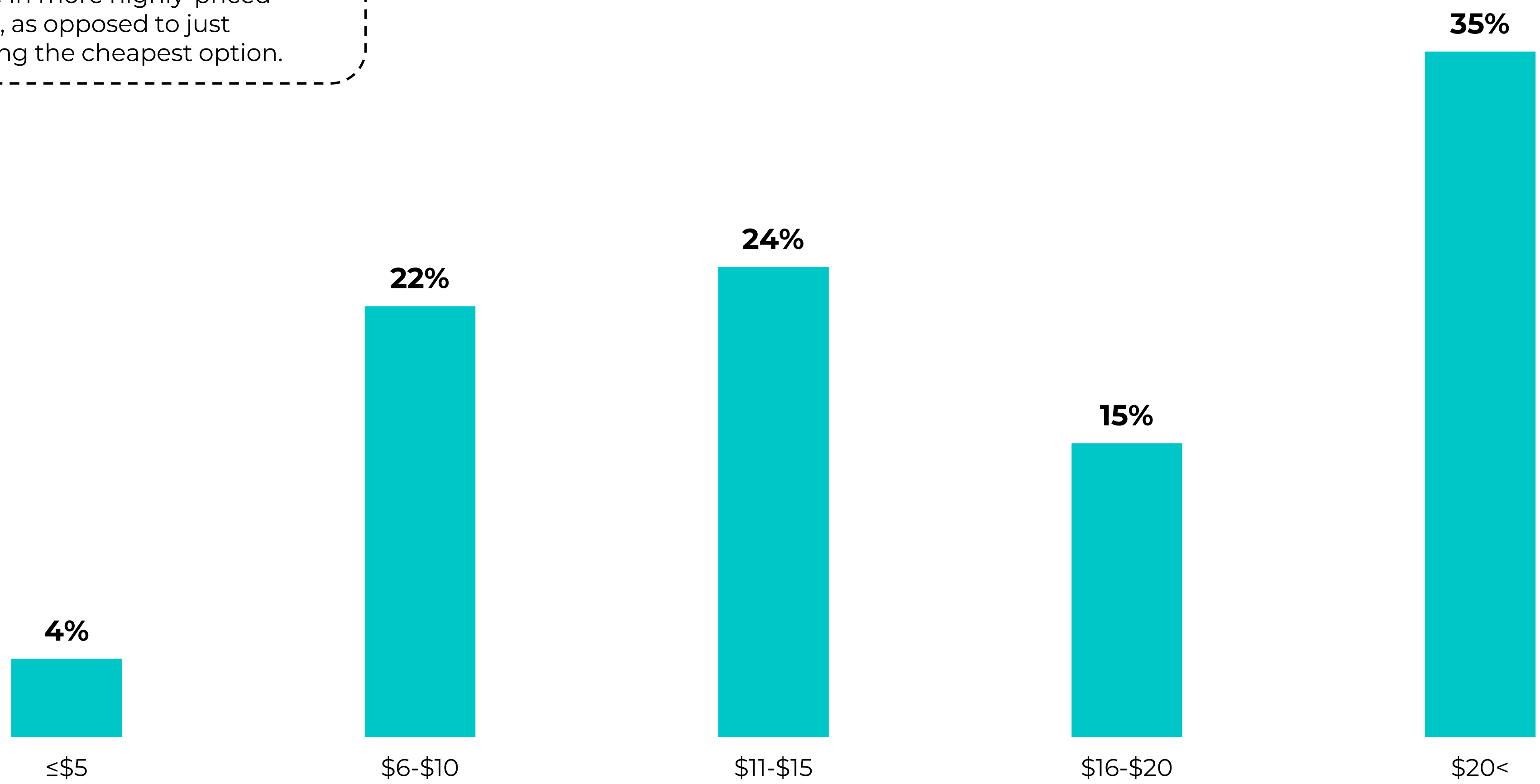


Source: Online distribution channels sourced October/November 2022 by NZTE

50% of Mānuka products cost more than 15 USD per 100g

Consumers have a wide range of pricing options available to them. Brands need to ensure customers see value in more highly-priced products, as opposed to just purchasing the cheapest option.

PRICE RANGE PER 100G (USD)



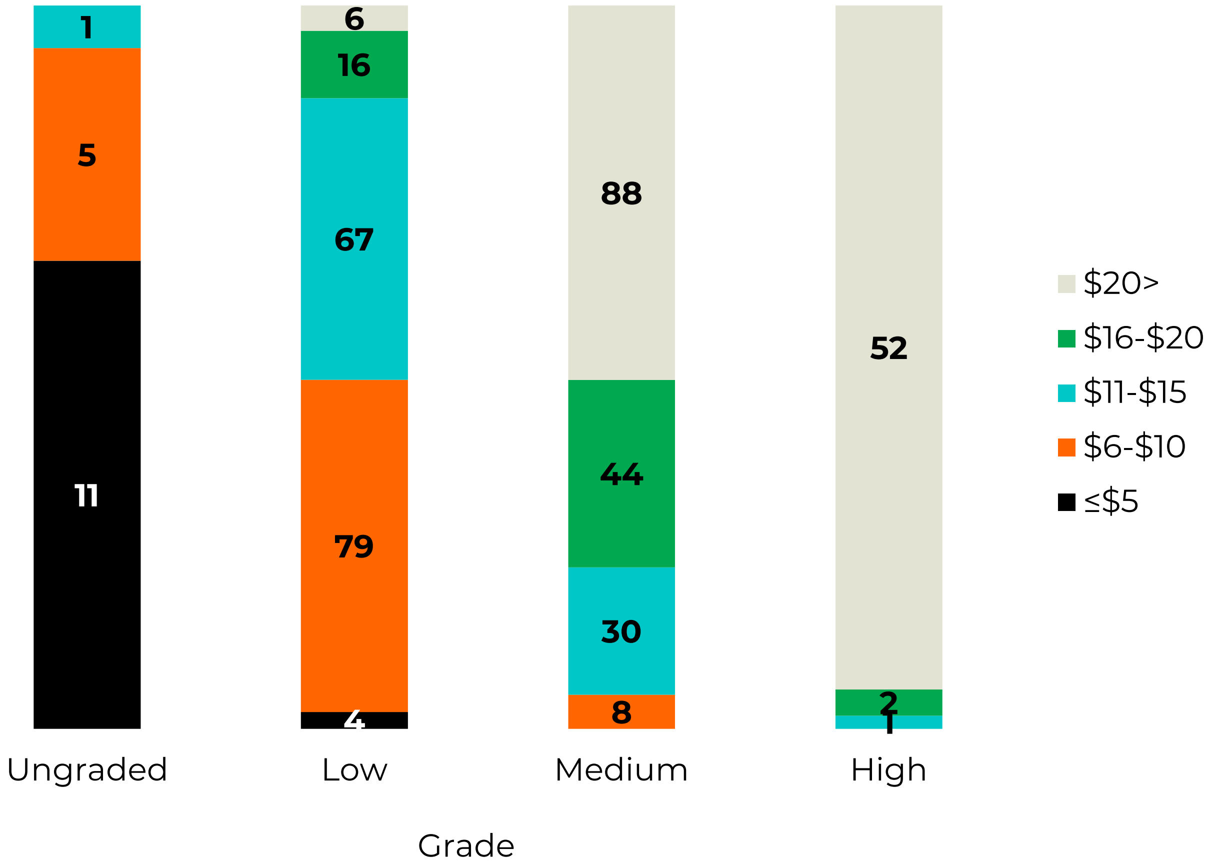
Source: Online distribution channels sourced October/November 2022 by NZTE

Only 3 out of the 55 high grade products are priced under 20USD/100g

High grade products generally sit at higher price points.

- There is a correlation between grade and price, however grade does not look to be the sole price driver as there are lower graded products also highly priced.
- Lower graded products which still sat at high price points tended to hold claims related to health (such as skin care claims), and the product's "natural" (including organic) properties.

GRADE VS PRICE COMPARISON



The following slides look at the Mānuka brands sold on Amazon Germany

57% of brands on Amazon Germany only list one product

amazon.de

Amazon Germany features a large number of brands, with low product counts. There were 182 products across 77 brands on Amazon Germany. The brand with the highest number of products had 21, followed by 12 and 8 products.

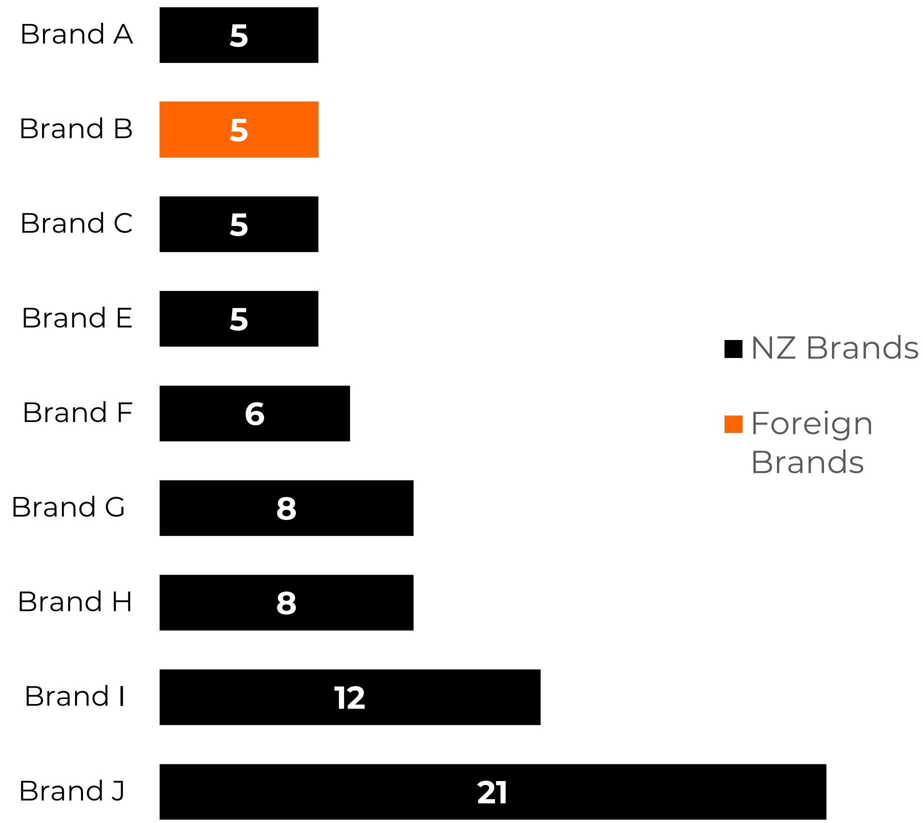
TOTAL MĀNUKA HONEY PRODUCTS

182

TOTAL MĀNUKA HONEY BRANDS

77

BRANDS WITH 5+ PRODUCTS



Source – Helium 10, 2022. Mānuka honey products on Amazon.de October 2022

65% of Mānuka honey products are priced at 50 USD or less

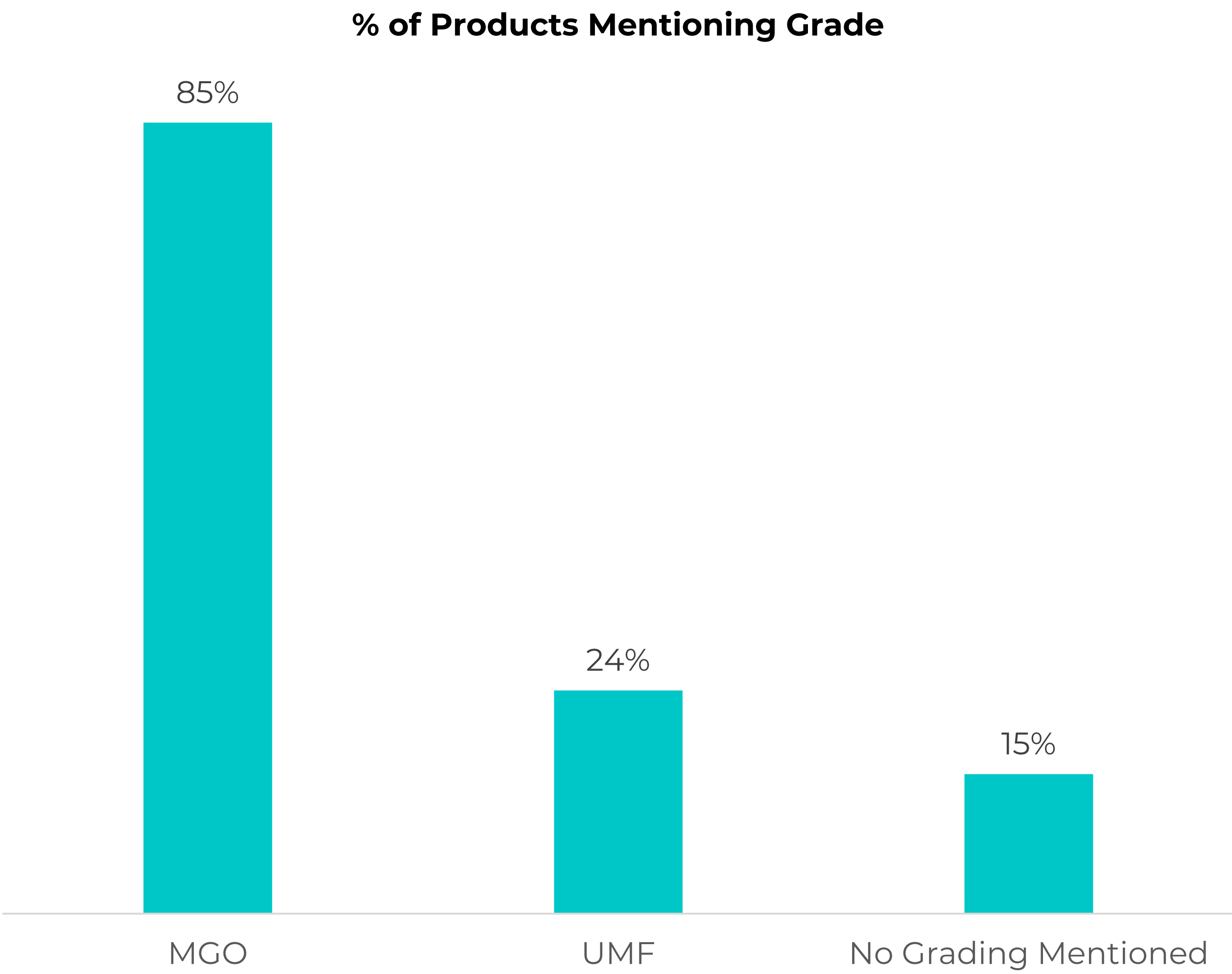
There are strong product ranges available across most price points. Brands need to ensure they can stand out within their price bracket to ensure customers select their offering, especially within the populous mid-range brackets.

Source – Helium 10, 2022. Mānuka honey products on Amazon.de October 2022

85% of products mention their MGO certification

Mānuka honey consumers are likely already aware of UMF and MGO classifications.

- Only UMF and MGO classifications were mentioned within Amazon listings.
- Brands who mentioned UMF, also mentioned MGO in most cases.
- Only 15% of products did not highlight any certification/grade within their product listing.



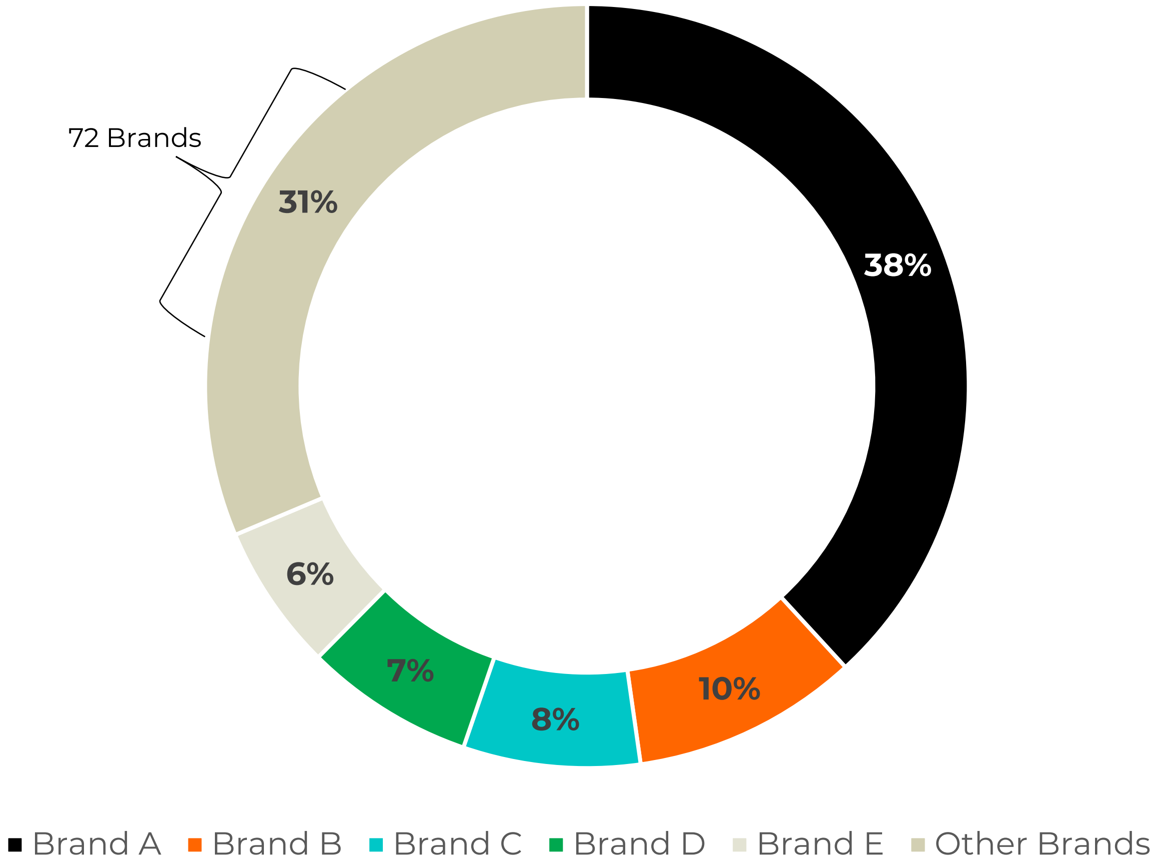
Source – Helium 10, 2022. Mānuka honey products on Amazon.de October 2022

Five brands account for 69% of the category revenue on Amazon

Brand A accounts for 38% of category revenue.

- There is clear brand dominance on Amazon, with a small number of brands accounting for a significant share of revenue.
- 94% of brands have less than 6% of the category revenue each.
- With a multitude of brands available on Amazon, and clear dominance from major players, brands need to be able to communicate their point of difference to attract first-time brand buyers.

BRAND SHARES BY MONTHLY REVENUE



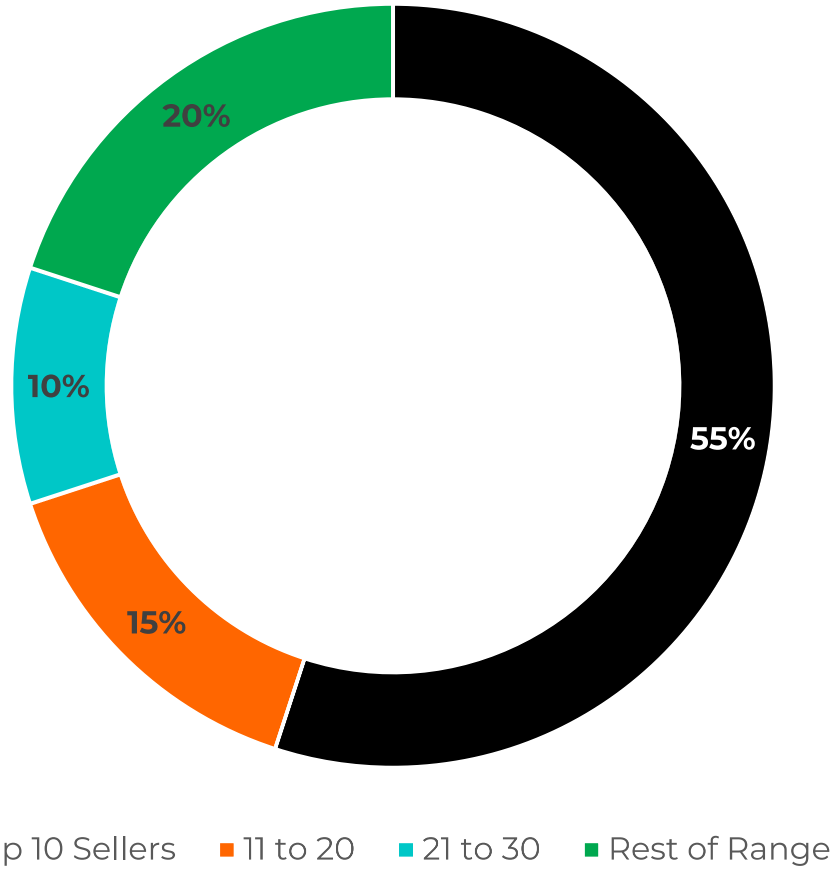
Source – Helium 10, 2022. Mānuka honey products on Amazon.de October 2022

The top 10 products sold make up 55% of the total category revenue

80% of the category revenue is from 30 products.

- The top ten products come from five different brands.
- 20% of the category revenue is made up of the revenue from 152 products (84%), showing that revenue is not equally distributed between products.

INDIVIDUAL PRODUCT SKU SALES AS % OF AMAZON CATEGORY REVENUE



Source – Helium 10, 2022. Mānuka honey products on Amazon.de October 2022