

EXTERNAL MARKET ENTRY METHODS FOR *NUTREXPA*

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Nutrexpa was founded in Barcelona in 1940 by José Ignacio Ferrero Cabanach and José María Ventura Mallofré. In 1946 it created its stellar product, the cocoa powder drink, *Cola Cao*, and in 1957, it opened its first factory. Apart from *Cola Cao*, *Nutrexpa* also manufactures and sells cakes, pâtés, milk, baby food and other products. *Nutrexpa* is currently one of the largest food groups in Spain with its brands *Cola Cao*, *Nocilla*, *Phoskitos* or *La Piara*, market leaders in their respective categories.

The internationalization of *Nutrexpa* began in the 1970s and has continued its gradual growth ever since. Until the 70s, sales abroad were sporadic, but since then a specific plan has been in place to expand *Nutrexpa's* products into the global market. The portfolio of products for *Nutrexpa International* consists of products from *Nutrexpa España* and *La Piara* (with some exceptions). The leading brands in this portfolio are *Cola Cao* (powders, cereals and spreads), *Miel de la Granja San Francisco* (honey) and *Pâtés La Piara*.

In 1989, *Nutrexpa* carried out a joint venture in order to enter the Chinese market with its marquee product *Cola Cao* under the brand name 'Gao-le-Gao' (Grow-Happy-Grow) which is now the leading brand in the sector.

The internationalization of *Nutrexpa* has also been achieved through exports. A distribution service was set up far away from its national market with the explicit aim of selling in that market without having to abandon the production of goods or services in the source country. The export department at *Nutrexpa* is located at headquarters in Barcelona and has played an essential role in opening new distribution channels across five countries. *Nutrexpa* currently exports to more than fifty countries. In Portugal, *Nutrexpa* has been developing a system to commercialize the *Nutrexpa España* and *La Piara* product range, which is produced in Spain. Furthermore, since the acquisition of Cuétara, there is now a production plant in Pombal (Portugal) dedicated to the manufacturing of biscuits

Question: Analyze the advantages and disadvantages of this entry method into external markets for *Nutrexpa*