

## Service providers

# "Good opportunities for foreign suppliers"

The third and last part of the "Focus on France" feature starts with an interview with two well-known French service providers: Guillaume Abou, 656 Editions, and Bernard Lavigne, European Sourcing, talk about their companies, changes in the promotional products sector, the French industry and the potential of the French market.

**Mr. Abou, originally you started as a screen printer. How did you end up in the publishing business?**

**Guillaume Abou:** After seven years in the screen printing industry, I wanted to try something new and sold my company in the year 2000. I set up a sort of online information portal for screen printers – however, at that time there was no business model for such a thing. Instead, I decided to try and realise the project as a print version. In 2001, the first edition of the magazine *Marquage Textile* was published, which was at the same time the birth of 656 Editions. Textile customisers were the target group of the magazine. Subsequently, *Marquage Textile* appeared in Spanish for the first time in 2003 and from 2004 onwards also in Italian.

**How did the closing of ranks with the promotional products industry happen?**

In 2004, the entrepreneur, Michel Anjoras, joined 656 Editions. He had sold his company Promoplus – one of the biggest French promotional products distributors – shortly before. Anjoras disposed of the corresponding expertise on the promotional products market, which in turn led to the launching of two new magazines: *Objet Mag* and *Prom'Objet*. Later, *Prom'Objet* and *Marquage Textile* merged into *C!Mag*.

We additionally entered the trade fair business: In 2008, we staged the first edition of *Communiquez Textile* in Lyon. From 2010 onwards, this show, which was previously exclusively a textile fair, became the CTCO, which also serves as a forum for promotional products. Furthermore, since 2011 we have been offering the promotional products industry a second venue every year – in the form of *Premium Sourcing* in Paris, which we organise together with *European Sourcing*. Finally in 2013, the *C!Print*, at which printing and advertising technologies are presented, was introduced parallel to the CTCO.

The premiere event of the CTCO already managed to oust the PSI Paris. It has been able to maintain its status as France's most

important promotional products trade fair ever since. Why is this?

I think on the one hand our success is due to the fact that we are both at home in the textile industry as well as in the promotional products sector and can offer a high degree of expertise – including close and good relations to industry associations and service providers. On the other hand, we consequently unite the textile, promotional products and printing sectors with each other. In this way, we create synergies,



Guillaume Abou

offer the players from all three areas added value and take into account significant market changes.

**Which changes?**

The areas are interlocking: More and more textile customisers and printers in France and also elsewhere are adding promotional products to their portfolio. But predominantly more and more distributors are expanding their range of services. Four years ago only 15% of the distributors that attended the CTCO, also visited the *C!Print*. Today, it is over 70%.

So, the profession of the promotional products distributor in France is changing?

Definitely. 15 years ago a distributor purchased a product, added on a margin and resold it. It sufficed to have a few contacts in marketing department to get orders. These times are long gone. Offering a broad range of services and a high degree of expertise becomes all the more important – not only with a view to the products offered, but also far beyond that: It is about understanding campaigns and selling promotional products as communication media instead of just "gadgets".

**Are the users in the marketing sector taking promotional products more seriously?**

Unfortunately, not to the desired extent yet – there is still a lot of room for improvement here. Nevertheless, with an estimated annual turnover of 1.5 billion Euros, the French promotional products industry is anything but small.

**This is a further reason why the French promotional products market is interesting for foreign suppliers.**

This is corroborated by our trade fair statistics: The number of visitors from abroad increases every year at the CTCO – in the meantime the trade fair is an obligatory date in the calendars of many distributors from Southern Europe.

The level of internationality of the exhibitors is also rising: At the last CTCO and *Premium Sourcing* about 40% of the exhibitors were from abroad, for instance from Spain, Italy, Germany, Poland and the Netherlands.

**How easy is it for suppliers to gain a foothold on the French market, considering possible obstacles, for example such as language barriers?**

Due to strong national players, France is not an easy market to penetrate, but is by no means isolated. It is not unusual for French distributors to buy from foreign suppliers – which is hardly the case in other European countries. So, France offers foreign suppliers good opportunities.

*Till Barth spoke to Guillaume Abou.*



**Mr. Lavigne, you had gained plenty of experience in the industry even before founding European Sourcing in 2002. What was your motivation to set up a search engine for promotional products?**

**Bernard Lavigne:** Before founding European Sourcing, I had been a distributor of promotional objects for almost 20 years. As a distributor, I identified the need to centralize the information in the promotional products and textiles sectors. I know from my own experience that distributors want to find products and suppliers fast and above all efficiently.

We began "offline", with a print brochure that contained full-page advertisements – one supplier per page. That was very successful, soon brought us recognition as a service provider and encouraged us to carry on. After around three years, we started building up the online search engine, which is our core business today.

#### **A few figures on European Sourcing twelve years later?**

In the meantime, we employ around 20 staff members, including a sales team of six people, four administrators, four software developers and two graphic designers.

Meanwhile 370,000 different products from around 300 suppliers are represented at Europeansourcing.com. As well as the French version, the search portal is also available online in English, German, Italian and Spanish. In total, we record approx. 2,000 visits a day from the promotional products trade.

#### **Which countries are the strongest ones?**

France is our main market, followed by Benelux, the Iberian zone, the German-speaking countries, Italy, Eastern Europe and Scandinavia.

#### **Quite a few sourcing machines for the promotional product industry have cropped up on the market over the years, few have survived. Why do you think European Sourcing has asserted itself?**

My experience as a promotional products distributor not only lent me a certain amount of legitimacy within the industry at the start, it was also of enormous benefit to me in creating a tool that



**Bernard Lavigne**

is tailor-made to meet the needs of the market. However, listening to the customers and trying to meet their needs is just one aspect – the technical side is equally important. A search engine not only requires a good infrastructure, the most important thing is that it works. Only providers, who permanently invest in the further development, maintenance and optimisation, can assert themselves long-term.

However, we were able to expand in other areas too, thanks to our competence in the web development sector. For example, we are also able to offer the industry in France the development of web shops through our subsidiary European Tool. In the meantime, around 200 French distributors use shop solutions developed by European Tool.

#### **You have also since expanded in a further area: the trade fair business. Together with the French publishing company, 656 Éditions, you have been organising the Premium Sourcing in Paris since 2011.**

That was a logical move – the aim is to create synergies and also about providing the market with something it needs. The most important marketing tools for the industry are trade fairs, search engines and trade magazines. However, these three areas don't compete against each other, they actually complement each other. The trade fair

allows the distributors and suppliers to physically meet up with each other over a couple of days to discover product ranges and to define sales and marketing strategies. Then after the trade fair, our "online trade show" offers the users the opportunity to centralize and share information and to continue business relationships for 365 days a year. Trade magazines on the other hand inform the readers about the products, trends and developments on the market in a depth and quality that other media and platforms are not able to achieve – in a neutral manner.

As far as these three platforms are concerned, we are well-aligned and well-structured in France. I think this is one of main reasons why we were able to overcome the crisis.

#### **So, you would recommend those companies that want to do business in the promotional products segment in France to implement such structures?**

Absolutely. The key to success for a supplier, who wants to penetrate the French market, is to adhere to the different tools at his disposal: the national trade shows, national and international magazines and last, but not least being represented on a sourcing portal.

#### **How about vice versa? Are there many French suppliers, who want to export into Europe?**

Yes, for an increasing number, the European market has become attractive. However, in comparison to other countries, the export business plays more of a subordinate role for the French promotional products companies. We can observe that only 20% of the country's suppliers are structured well enough to sell to Europe and only 20% of the French distributors buy outside of France at all. The other 80% of the business remains within the country. There are of course countries where the average export share of the suppliers is higher, but the domestic market is predominantly where the business is transacted. It is the growth of each individual national market that will ultimately increase the European market as a whole.

*Till Barth spoke to Bernard Lavigne.*

## **About the companies**

As a publishing company and organiser of the two trade fairs, CTCO and Premium Sourcing, **656 Éditions** significantly co-shapes the landscape of the French industry. The Lyon-based company started out in the textile segment. Guillaume Abou is the founder and CEO.

**European Sourcing** is one of the leading product search engines on the European promotional products market. The company that is based in Agen, France has additionally established itself as an exhibition organiser. Bernard Lavigne is the founder, owner and CEO.