

# Specialists in a niche market

Niche markets require specialists. This applies in particular to lifestyle and leisure products, like duty free goods. Not only does the supplier need all the know-how related to international regulations, legal procedures, and limitations; he also has to hit the nail on the head in terms of taste, trends, and target groups. One such specialist is the German wholesaler Haromex Development GmbH. The family-owned company sells alcohol and soft drinks to duty free shops and the military – a challenging yet promising business perspective.



“Our family name ‘van Soest’ stands for service with a capital ‘S’,” says Mr. John van Soest, managing director of Haromex. The company philosophy is clear: Haromex does not aim to maximise net profits as soon as possible, but to convince its clients through quality and service, creating long-term relationships with satisfied customers.

The van Soest family founded Haromex in 1992 as an independent company in Niederkrüchten. The company was born out of the Remy-Cointreau-Group, which had decided to exclude its military, duty free and wholesale activities from the parent company. The independent status has given Haromex many decisive advantages, such as the freedom to develop its product-range and services, and hence its corresponding markets. Today, Haromex Development GmbH is a subsidiary of Haromex Development B.V. Netherlands. Three van Soest’s direct the

activities at the top of Haromex: Senior Director Mr. John van Soest, Commercial Director Mr. Harald van Soest, and Mr. Roger van Soest, who is director of finances.

In 1994, Haromex moved to its present headquarters in Brüggen. Since then, the company has systematically broadened the range of its products. Haromex’ main market is the duty free sector. The company sells beers, soft drinks, spirits, and wines, as well as cosmetics. Target groups are airlines, airports, and ship’s chandlers, as well as customers at ski resorts and on islands like Helgoland, Guernsey, and Jersey. “One of our key advantages is that we have our own bonded warehouses,” says Mr. John van Soest. Another important market for Haromex is the military, where the company has a market share of about 75%. Haromex supplies military bases, clubs, and messes with alcoholic and non-alcoholic bever-



The crest of the van Soest family, who founded Haromex in 1992



At its headquarters in Brüggem, Haromex has 16 employees

Haromex aims to launch more and more fine beverages like the Vodka-Cognac based drink Alizé on the different national markets in Europe



La Mauny Rum, one of Haromex' bestsellers. The company aims to increase its share of the rum market significantly in the future



La Mauny Rum from Martinique in an attractive gift box

ages. Haromex' customers are military servicemen and their families from 26 NATO countries. "We have over 800 customers in the military," explains Mr. John van Soest. Also for the military, Haromex markets and distributes themed funny postcards. "Many of our postcards have already become popular collector's items," says Mr. John van Soest. Border shops and travel retail are a relatively new market for Haromex. In the past three years, the company has increased its market share in this field from almost zero to over 13%. Another growing area for Haromex are the national markets in Germany and the Benelux countries. The company already sells rum, brandy, and various imported liqueurs on the domestic markets. But Haromex has discovered a growing demand for special and luxurious products in these national markets. Therefore, the company plans to introduce its great La Mauny rum and the popular

French Cognac based liqueur Alizé, among others. Haromex operates worldwide. According to Mr. John van Soest, 95% of the company's turnover is generated in export-markets incl. Military, whereas the German market accounts for just 5%. "As an EU-based company, we still have significant potential for growth through export to the world," says Mr. John van Soest. Haromex is regularly present at important trade fairs like the ProWein in Düsseldorf and specialist fairs for the beverages industry. But the company has no need for specific or targeted marketing activities, as most customers approach Haromex themselves. "Our top priorities are speed and service," explains Mr. John van Soest, adding: "If our customers are happy with us, they recommend us to others." For Haromex, all orders have the same importance, no matter how big or small. "We treat all customers equal-

ly," says Mr. John van Soest. As a specialist supplier of a niche market, Haromex is more flexible than others in the trade. "Most companies in this field have been immobilised through too many takeovers that result in oversized business groups," explains Mr. John van Soest, who has been working in the drinks sector for over 30 years. "Especially in Germany, further complications arise with the tax on so-called 'alcopops', and the compulsory deposit on one-way packaging," he adds. "Luckily, as an independent company, we are able to steer clear of most problems that trouble the industry." At its headquarters in Brüggem, Haromex has 16 employees. The company also trains a couple of apprentices each year. In 2004, Haromex' turnover increased by 10%, compared to the figures from 2003. "For the current year, we expect a further increase," states Mr. van Soest. He is confident that

Haromex will accomplish the jump into the upper segment of the inland trade in alcoholic beverages, especially in the German-speaking parts of Europe. "We are particularly interested in the rum market," he explains. "Our aim is to establish ourselves as a specialist for fine rums, as we already carry over 150 lines in this segment. It is our aim to position Haromex among the top players in this field." ■

#### Haromex Development GmbH

Weihersfeld 45  
41379 Brüggem  
Germany  
phone: +49 2163 95730  
fax: +49 2163 957325  
info@haromex.com  
www.haromex.com