

Balsnack takes a crunchy bite out of the global snack market



Balsnack started out as a small Estonian family business in 1992 to satisfy the cravings of a newly independent nation for snacks and nibbles. Today, thanks to a well-planned and executed export strategy, their products can be found on supermarket shelves around the world.

Elmar Rusing, the founder and soul of Balsnack, is still actively involved in the running of the business, but is happy to hand the wheel over to his son Reigo, who has joined the company after a successful career in IT. Back in the 1990s, Balsnack's products were so well-known in Estonia that some of their brands became generic household names for any kind of snacks. But today's focus is predominantly on private label products for other brands.

Products range from potato wafers to bird-feed

The main product in Balsnack's portfolio is a crunchy, wavy, crispy potato wafer - something very unique, as it absorbs and maintains more flavour than other similar products. The secret lies in custom-built production lines engineered by Elmar Rusing's old friend Arvo, who is still involved at Balsnack as an engineer. Apparently this equipment is truly one of its kind and needs to be safeguarded as a trade secret.

This unique potato wafer now comes in a variety of flavours, ranging from wasabi to salt and vinegar, chilli and lime to sour cream and onion just to name a few. Balsnack's export manager Marko Utsar says that this product opened up the doors to export markets for Balsnack when a valuable business contact helped them to the UK market some years ago. "Today we are providing a well-known UK brand named Bobby's with private label potato wafers designed to meet their customers' taste expectations," says Utsar.

Overall the product portfolio of Balsnack extends to well over 100 products, including popcorn, flavoured pork rinds, corn balls, bread bits and even bird-feed, which features fatballs and seeds in a variety of formats. "It may surprise some, but bird-feed actually contributes a sizeable portion of our revenue," explains Utsar. Another avenue in the product portfolio involves cereals and flavoured puffed corn aimed at children - well-known in Estonia under the name Mõngel, but marketed internationally as Fluffies.

Product development is taken very seriously at Balsnack, with bi-weekly focus sessions on market trends, samplings and survey results. "International trade fairs always serve as sources for inspiration, as we're keeping a vigil eye on our competitors and always try to improve our products based on findings and feedback," comments Utsar.

Trade fairs boost export business

Utsar credits international trade fairs as the foundation of Balsnack's success on export markets. "We always stand out at fairs, because we want to appear different and always add a show element to our appearance, there's never a dull moment for us." Export really picked up after 2016, when trade fairs and expos proved that the way to communicate with private label procurement heads is at professional functions. As a result, export volumes increased more than fivefold between 2016 and 2020.



Balsnack's export and sales team make an effort to be present at all the major trade expos held around the world, whether on their own or jointly with the Estonian Food Association, the Chamber of Commerce and Agriculture or Enterprise Estonia. "Our conquest of the Chinese market started at SIAL in 2018, but our most successful expo experience has been at Gulfood in Dubai, where we have been present every year since 2018," adds Utsar.

Simply being present at fairs does not guarantee results, stresses Utsar. "We have a well-rehearsed routine at fairs, where every team member knows their role and function. As a result we have over 4000 contacts on our CRM database." Managing such a wide variety of contacts wouldn't be possible without yet another secret weapon in Balsnack's arsenal. "Our founder's son Reigo utilised his past experience from the world of IT to create the perfect tool for managing expo communication - it's an iOS app called FairContacts, which includes text templates, a product catalogue, customer profiles with photos and many other useful features. We're able to shoot off an offer to potential customers in 1-2 minutes and can later analyse the full data in an Excel spreadsheet," explains Utsar.

Exporting snacks to 50 markets

Prior to a clearer export focus forming in 2015, Balsnack's main export markets had been Finland, Latvia and Lithuania. This is when Balsnack's management realised that they needed a story to tell with their unique product and thus the international brand name Grand Chips was born. By 2018 they had expanded to over 20 export markets, tripling their turnover. "Just to put volumes in perspective - we ship 15-20 truckloads of popcorn to the DollarStore in Sweden every month," Utsar is proud.

A new lucrative market appeared on the horizon in 2019 - Japan. Initial contact with potential Japanese customers was established through a Japanese trade delegation visit to Estonia. Utsar recalls that the process took over a year and a half, but Balsnack persevered and was eventually the only Estonian company to land a deal with the Japanese. Whereas in 2020 they shipped 20 containers of products to Japan, the following year saw the volumes increase by double the previous amount.

Utsar believes that their success in Japan is very much built on their partnership with one of the most famous former sumo wrestlers, an Estonian named Kaido Höövelson, who is still revered as Baruto in the land of the rising sun. "The Japanese market isn't an easy one, there are a lot of conditions and requirements to be met.



But having a local company makes business considerably easier, as is evident in the recently concluded deal with the local chain of 7-11s, serving Balsnack's products at over 18 thousand outlets, with one of the largest sellers of sweet products CONFEX and DAISO, the largest 100-yen shop."

The main export markets for Balsnack at the moment are Sweden and Japan among a total of 50, but Utsar has high hopes for others as well. "We're certainly aiming for the world's largest snack market, the USA. But we also have our sights on Australia, New Zealand and South America. We have already changed our recipes accordingly, eliminating MSG from most of the ingredients in Grand Potato Chips flavors. Our products are getting healthier, but we can't compromise on flavour," Utsar says, adding that Estonia's prominence as the land of fresh air helps Balsnack on these exotic markets. "Grand Chips is already better known worldwide than Balsnack, but we still aim to stress the cleanness of Estonia's nature and the pureness and freshness of our components".