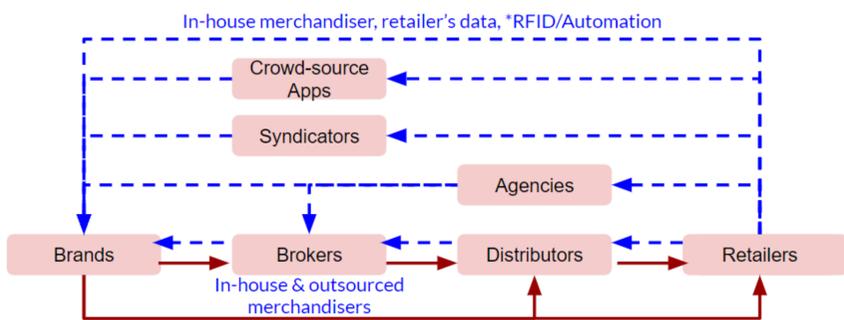


involves US Market Entry Strategy

Involves is a retail execution and trade promotion SaaS company based in Florianopolis, Brazil. The flagship product *Involves Stage* streamlines the monitoring process in retail outlets, enabling the entire retail value chain (in particular CPG brands) to plan and execute in store strategies. They have a majority of market share in Brazil and rapidly growing market share in the rest of Latin America. However, as they look to the future they are looking for new markets to continue this growth. As such, their project for this G-Lab team was:

How can Involves effectively enter the US market?

Customers



Over interviews with 11 US brands, retailers and brokers/agencies we tested these value propositions:

1. Increasing field team productivity
2. Increase sales by ensuring retail execution
3. Decrease out-of-stock by ensuring retail execution
4. Systemically collect and comprehensively analyze merchandising data
5. Consolidate scattered merchandising data
6. Reliable merchandising tools/partners

Total Addressable Market

Key changes and assumptions

- Re-estimation of brand merchandising reps
- Percentage of stores not covered by merchandising reps
- Extrapolating brand reps using agencies: brands ratio of reps

Total US stores	330,000
Stores with reps	198,000
Brandowners	
Total reps	147,064
Retailers	
Rep per store	1
Total reps	198,000
Distributors	
Rep per store	0.2
Total reps	39,600
Agencies & Brokers	
Total reps	240,650
Total reps	625,314

This TAM represents tens of millions in US Dollars in MRR.

Agencies/Brokers is largest market for retail execution SaaS

Recommendations

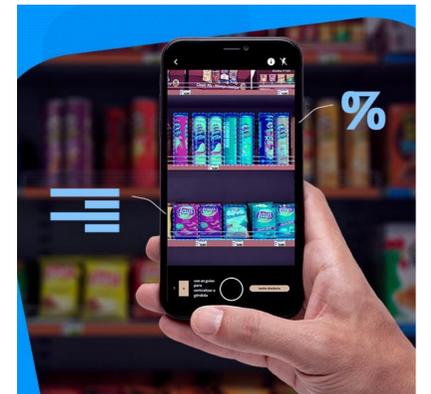
If Involves chooses to enter the US Market...

... there is a TAM of **625,314 representatives** across the value chain.

... the best opportunity is **large CPG Brands**, but Involves will face **13+ strong competitors** that have penetrated many if not all of large CPG brands in some way.

... Involves will do something **uncommon** for a LatAm Software company, but could potentially leverage success factors from other similar companies.

There is some opportunity for Involves in the US market, but it will be challenging.



Of the top 30 Top CPG Brands...

... at least 18 are already working with a competitor

... there is potential opportunity for Involves with meat, personal care and alcohol brands



The fast growing US Gig Economy has led to rise of crowdsource data apps, such as retail execution focused:

FIELD AGENT

Competitors

Unique competitive advantage in the US market

e.g. filling a gap in the market, having the technology that no existing companies have etc.

Strong strategic rationale for the company

Entering the US market requires a lot of investment, effort, time and attention from company employees and leaders. Therefore should only be pursued when there are significant synergy with existing market. Otherwise may have negative impact to current markets

Ability to replicate success

Difficult for Involves at this stage:

- The US market dynamic is vastly different than that of South America
- Direct sales model is expensive to replicate in the US, and difficult to realize without warm introductions from existing clients

Timing Matters

Market, technologies, companies evolve with time, it is important to re-examine the landscape periodically in order to make decisions that align with the most current environment.

US Entry Success Factors

Graciously hosted by involves

Sheryl Chen



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