

Honey Stinger Ecuador

We respectfully request a reconsideration of the pricing for Honey Stinger products to allow for more competitive positioning in the Ecuadorian market. This price adjustment is crucial to enable Honey Stinger to effectively compete with well-established brands that have been operating in Ecuador for several years, as well as newer entrants. By making this change, we can ensure that Honey Stinger remains competitive while preserving the high quality and value of the brand.

To support our request, we have carefully analyzed the market and have prepared a detailed summary in this report, outlining the key factors influencing our pricing proposal.

Gels, chews and supplements in Ecuador

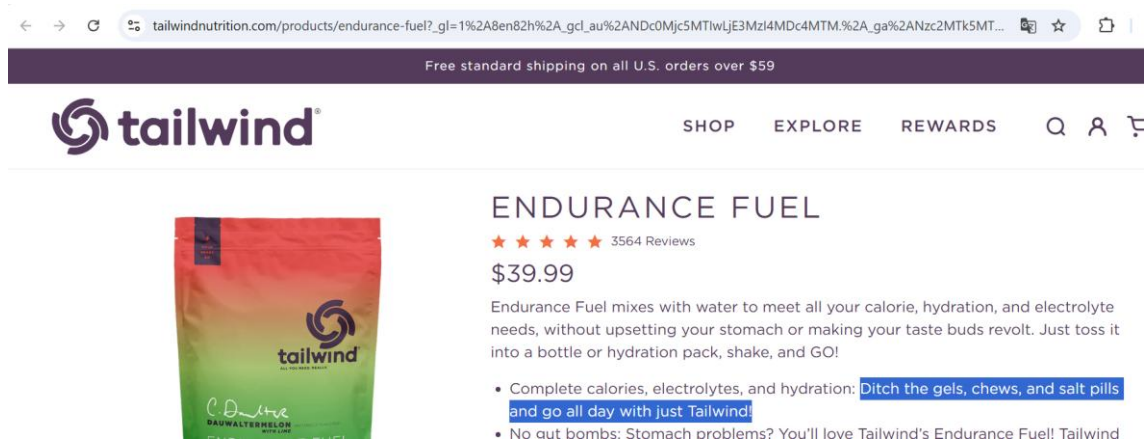
Given the high demand in Ecuador, the market is home to a variety of gel and chew brands. We have analyzed how Honey Stinger can effectively position itself alongside these established brands. Currently, the following brands are present in Ecuador:

- 226rs
- Hammer Nutrition
- NeverSecond
- Skratch Labs
- Gel Tea (Ecuadorian Gel)
- Precision Fuel & Hydration
- Gu Energy
- Named Sports
- Gold Nutrition

Tailwind in Ecuador

Tailwind entered the Ecuadorian market in November 2024 and is now available in the country's top stores. In their marketing campaign, they highlighted their Endurance Ditch gels and chews.

One key challenge we may encounter with Honey Stinger is that electrolyte powders, such as their Endurance Fuel, are not subject to tariffs since they are not yet diluted. This gives brands offering powders a pricing advantage, which we can consider as we strategize for Honey Stinger's entry into the Ecuadorian market.



The screenshot shows the Tailwind website's product page for Endurance Fuel. The browser address bar displays the URL: tailwindnutrition.com/products/endurance-fuel?_gl=1%2A8en82h%2A_gc_l_au%2ANDc0Mjc5MTIwIjE3MzI4MDc4MTM.%2A_ga%2ANzc2MTk5MT... A purple banner at the top of the page states "Free standard shipping on all U.S. orders over \$59". The Tailwind logo is in the top left, and navigation links for SHOP, EXPLORE, and REWARDS are in the top right. The product image is a bag of Endurance Fuel, labeled "COFFEE" and "BAUWALTERSBELO". The product title "ENDURANCE FUEL" is prominently displayed, followed by a 4-star rating from 3564 reviews and a price of \$39.99. The description states: "Endurance Fuel mixes with water to meet all your calorie, hydration, and electrolyte needs, without upsetting your stomach or making your taste buds revolt. Just toss it into a bottle or hydration pack, shake, and GO!". Two bullet points highlight benefits: "Complete calories, electrolytes, and hydration: Ditch the gels, chews, and salt pills and go all day with just Tailwind!" and "No out bombs: Stomach problems? You'll love Tailwind's Endurance Fuel! Tailwind".

Source: tailwind.com

The high cost of importation presents another challenge for Honey Stinger in Ecuador:

- Opposed to powders, Gels, chews, bars, and waffles face a 45% tariff, which makes it difficult to remain competitive with the current pricing.
- Additionally, obtaining sanitary registration for each product costs about USD 1,700.
- Given the costs associated with registering all products—gels, chews, waffles, bars, both caffeinated and non-caffeinated—it becomes too expensive to secure approval for the full range of products.

By collaborating, we can find ways to optimize the registration process and identify opportunities to manage costs while ensuring the brand's competitiveness in the market.

In terms of FOB cost competitiveness:

- While it's challenging to obtain the exact FOB price per item, we've identified the following:
 - Gold Nutrition Gel costs an average of USD 0.37 per unit in 2024.
 - Precision Fuel Gel is priced at USD 0.80 per unit in 2024.

Considering that Honey Stinger is typically priced at about half of Precision Fuel Gel's cost in the U.S. market, we request a reduction in price to ensure competitiveness in the Ecuadorian market. This adjustment would enable Honey Stinger to better compete with established brands that have been in Ecuador for several years, as well as newer entrants.

Feel free to adjust anything further, or let me know if you'd like any changes!

Best,

Nicolas Cabrera