

## International Expansion Strategy of Russian FMCG Companies via Global Marketplaces: An Empirical Analysis

Veronika Avvakumova\*

Head of Trade Export , Fitness Desserts LLC

\* Corresponding author

ORCID: 0009-0007-6843-9094

---

### OPEN ACCESS

#### Citation:

Veronika Avvakumova (2026). International Expansion Strategy of Russian FMCG Companies via Global Marketplaces: An Empirical Analysis. *Am. Impact Rev.*

10.66308/air.e2026036

**Received:** April 10, 2026

**Accepted:** April 18, 2026

**Published:** April 19, 2026

#### DOI:

10.66308/air.e2026036

ISSN: 3071-124X

#### Copyright:

© 2026 Veronika Avvakumova.

This is an open access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0).

### Abstract

The international expansion of Russian companies in the fast-moving consumer goods (FMCG) sector has undergone significant changes following the geopolitical events of 2022–2024 and the associated sanctions. This study provides an empirical analysis of the transition from traditional offline B2B exports to global digital platforms, specifically Amazon FBA (fulfillment via Amazon). Using the example of one of Russia's leading FMCG companies, which ranks in the top 1% by revenue, the study examines financial metrics, return on investment, and the organizational changes required to enter the German and UK markets. The results show that while B2B channels provide stability for large shipments, marketplaces offer greater opportunities for scaling and increasing brand awareness, although the initial stages require intensive marketing expenditures. In conclusion, a decision-making framework is presented for FMCG companies facing the challenges of import substitution and export reorientation, where digital adaptation and proper resource allocation play a crucial role [1], [2].

**Keywords:** FMCG, International Expansion, Amazon FBA, B2B Export, Russian Economy, Sanctions, ROI Analysis, Digital Transformation

## 1. Introduction

The period from 2022 to 2024 was marked by a fundamental shift in global geopolitics, which necessitated a radical overhaul of Russian companies' foreign trade mechanisms. The massive sanctions pressure during those years served as a catalyst for structural reforms, as companies were forced to bypass traditional export routes.

Previously, Russian companies in this sector built their businesses on established relationships with foreign retailers and distributors. But now these traditional channels have become less reliable, and companies are forced to seek other methods and more sustainable options for exporting [4].

The idea of import substitution, originally created to support domestic production and reduce dependence on foreign goods, unexpectedly helped the development of Russian FMCG brands. This policy forced companies to improve product quality, optimize logistics, and find new solutions under restrictive conditions, which largely prepared them for international competition [5]. The traditional offline-export model in the B2B sector, characterised by extensive trade negotiations, high administrative requirements and complex logistics, has become less effective in the context of the evolving geopolitical landscape. Such a model, as previously mentioned, requires significant investments and a long lead time before revenue generation, which increases its flexibility in the face of rapidly changing global markets [6].

The purpose of the present study is to address a significant gap in contemporary literature concerning the minimum requirements for large-scale digital trading platforms and B2B channels for consumer goods. A detailed analysis of a rapidly growing Russian company in a specific sector reveals that investments are becoming increasingly profitable. This is due to the fact that the organization structure of the company is being reviewed, which is a common occurrence in the European Union markets of Germany and the United Kingdom in the 2023–2024 period. The results obtained will facilitate a more in-depth understanding of the strategies employed in the context of the introduction of sanctions, as well as the impact on the global trade market [7].

## **2. Theoretical Framework and Methodology**

### **2.1. Theoretical Underpinnings**

This research seeks to bridge a critical void in current scholarship by contrasting the performance of global digital platforms against conventional B2B frameworks within the context of the Russian consumer goods industry. Specifically, the paper investigates the strategic pivots these firms undertake to navigate international market entry under the weight of shifting economic paradigms and geopolitical constraints. A detailed analysis of a fast-growing Russian company in this sector was undertaken for the study. The study examined return on investment, the necessary organisational structure, and the challenges encountered when entering European Union markets - specifically Germany and the United Kingdom - in 2023–2024. The findings will facilitate a more comprehensive understanding of export strategies in the wake of sanctions, and the evolving role of e-commerce platforms in global trade [8] [9].

Additionally, the economics of transaction costs (TCE) [10] will assist in comparing the effectiveness of various management structures, including offline B2B channels and trading platforms. TCE is based on the premise that companies choose management structures that minimise transaction costs, including the costs of search, negotiation, monitoring, and enforcement. In the context of sanctions, these costs are significantly amplified for traditional B2B channels, making digital platforms potentially more attractive. Furthermore, the Resource-Based View (RBV) framework [11] posits that the international competitiveness of these firms hinges on the strategic deployment of internal assets. In the current climate, this advantage is increasingly derived from specialized digital marketing competencies and the agility of supply chain operations, which function as rare and non-substitutable drivers of growth in foreign markets.

## **2.2. Research Design and Data Collection**

This approach helps to examine in detail how the company's strategy has evolved and how it has performed at different stages of its expansion into international markets [12]. The subject company maintains a formidable market presence, characterized by an exponential ninefold increase in sales over the last three years. Its manufacturing infrastructure supports a consistent output of approximately three pallets hourly, allowing for the daily dispatch of two complete truckloads. By leveraging this solid internal foundation, the study utilizes corporate reporting from 2021 through 2024 to evaluate the firm's readiness for competitive entry into foreign markets. This includes financial statements, sales data, marketing expenses and operating reports.

**The analysis was conducted in two phases of international market entry:**

1. In 2023, the company entered foreign markets for the first time through a traditional B2B export transaction, which generated approximately €0.13 million in revenue. This data helped clarify the operational challenges and financial outcomes of conventional exports.
2. In 2024, the company changed its strategy and began operating through Amazon FBA in Germany and the UK. In the first year, revenue reached €1.6 million, allowing for a comparison of this model with B2B in terms of speed to market and profitability.

## **2.3. Key Performance Indicators (KPIs)**

The comparative analysis was based on three key performance indicators to gain a comprehensive understanding of how effective the various channels are. One of these indicators is return on investment (ROI), which was calculated as  $(\text{net profit} / \text{investment costs}) * 100$ . It was used to compare the profitability of marketing and operating expenses for the Amazon FBA and B2B channels. Particular attention was paid to customer acquisition cost (CAC) and the efficiency of marketing budget spending. [13]. Next, Management Weight: This qualitative and quantitative metric assessed the ratio of administrative and managerial hours dedicated to a channel relative to the revenue generated. It captured the operational complexity and human resource intensity of each export model. The third metric is Scalability Velocity: Defined as the time required to double sales volume within a newly entered international market. This metric provided an indication of the growth potential and agility offered by each channel [14].

## **3. Empirical Analysis: The Case of a Leading FMCG Player**

### **3.1. Domestic Strength and International Ambition**

The subject company exemplifies the resilience and adaptive capacity of modern Russian FMCG enterprises. Domestic sales have increased nearly ninefold since 2021, reflecting stable operations and strong market reception. Thanks to this growth, the company now produces two products per second - that's about three pallets per hour or two full truckloads per day. This scale of operations has not only ensured a stable income but has also helped the company accumulate the funds and

experience needed to enter the international market, transforming it from a regional player into a contender on the global stage [15].

### 3.2. Conventional B2B Export Operations in 2023

The company’s 2023 global strategy relied on traditional B2B alliances to scale. While this approach effectively placed products in 550+ retail locations, it also triggered a series of operational bottlenecks. Most critical was the impact on cash flow. Chronic payment lags from international partners strained the company’s liquidity, creating a financial drag that hampered its ability to reinvest and maintain strategic momentum.

Frequent payment lags from partners created a “capital trap,” where the inability to access immediate cash flows stalled reinvestment efforts and effectively braked the company’s broader expansionary momentum.

As a result, despite an extensive sales network, revenue from this channel remained relatively low - around €0.13 million - indicating slow growth [16].

### 3.3. The Amazon Pivot (2024)

Recognizing that the B2B model does not always allow for rapid scaling, the company decided in 2024 to focus on global digital platforms, specifically Amazon FBA in Germany and the UK. This transition took place in two phases: first, over the course of three months, an account was created, products were optimized, and initial marketing strategies were developed; then, over the course of a year, work was carried out to improve advertising campaigns, manage inventory, and increase visibility using algorithms.

The results of this strategic shift were significant and immediate. In its first year on Amazon, the company generated €1.6 million in revenue - more than 12 times the previous year’s figures, which had been achieved through B2B operations. This rapid expansion underscores the inherent scalability of the marketplace platform. The scalability of this model stems from its utilization of Amazon’s pre-existing audience and logistics automation. By removing the need for manual distribution setups, the firm was able to circumvent typical growth constraints, resulting in a streamlined path to internationalization that prioritized speed and resource efficiency [17].

**Table 1.** Comparative Performance Metrics (2023 vs. 2024)

Metric	B2B Offline (2023)	Amazon FBA (2024)
Revenue	€0.13 Million	€1.60 Million
Market Reach	550+ Physical Stores	Millions of Active Users
Management Weight	High (Manual Coordination)	Low (Automated Logistics)
Scaling Potential	Linear (Slow Growth)	Exponential (Rapid Growth)
Payment Cycle	Extended (30-90 Days)	Rapid (Bi-weekly Disbursements)

## 4. Core Comparison: Amazon FBA vs. B2B Offline

### 4.1. ROI and Marketing Dynamics

A critical divergence between the B2B and Amazon FBA models lies in their respective marketing investment structures and return on investment (ROI) profiles. The Amazon model necessitates a "front-loaded" investment strategy to establish initial visibility and sales velocity. The case study revealed a significant initial test campaign involving 100 paid influencers with a budget of €83,500. While this upfront expenditure was substantial, it was crucial for "priming the pump" of Amazon's search algorithms, generating initial reviews, and driving organic ranking [18].

However, the study identified that sustained growth on marketplaces is not primarily driven by external influencer campaigns but rather by a highly optimized internal advertising strategy. The optimal model allocates approximately 15-20% of total turnover to internal Amazon ads (Pay-Per-Click or PPC). This continuous investment ensures consistent visibility and capitalizes on high-intent search traffic within the platform. In contrast, B2B marketing expenditures are often less transparent, embedded in trade discounts, listing fees, and the costs associated with relationship management and trade shows. These costs are harder to track and often yield a lower overall ROI due to the lack of direct consumer data and the inability to precisely measure the impact of marketing activities on end-consumer behavior [19].

### 4.2. Team Structure and Competencies

The transition from a traditional B2B export model to a digital marketplace strategy requires a fundamental restructuring of the export team and a shift in core competencies. The skills required for success in B2B - relationship building, negotiation, and logistics management - are distinct from those needed to thrive on Amazon.

**Table 2.** Organizational Requirements by Channel

Role	B2B Offline Focus	Marketplace Focus
Sales	Relationship Management, Key Account Management	SEO Optimization, Listing Conversion Rate Optimization
Marketing	Trade Fairs, POS Materials, B2B Promotions	Amazon PPC, Micro-influencer Management, Social Media Ads
Logistics	Custom Freight Forwarding, Warehousing, Customs	FBA Inventory Management, Supply Chain Forecasting
Analytics	Quarterly Sales Reports, Distributor Sell-out Data	Real-time Data Analysis, Algorithmic Monitoring, A/B Testing

Operating within a marketplace environment demands a pivot toward deep analytical rigor. Teams must not only interpret live data streams but also maintain the agility to recalibrate tactics as platform algorithms and consumer patterns evolve. For many organizations, this transition acts as a significant bottleneck, requiring either an aggressive recruitment strategy for specialized talent or a comprehensive upskilling program to bridge the internal competency gap [20].

## 5. Discussion: Lessons Learned and Strategic Missteps

A pivotal finding of this empirical analysis is the inherent risk associated with the "Copy-Paste" trap - the assumption that marketing strategies successful in the domestic market will seamlessly translate to international platforms. The subject company initially attempted to replicate its highly effective Russian marketing model, which relied heavily on broad-reach paid bloggers and macro-influencers, in the EU market. This approach resulted in a significant strategic misstep, where the €83,500 investment failed to yield the anticipated conversion rates and ROI.

The critical lesson learned was the absolute necessity of local adaptation and a deep understanding of the specific dynamics of the target ecosystem. In Amazon's European segment, research has shown that in-platform advertising (PPC) and collaborations with micro-influencers are far more effective than expensive advertising campaigns featuring celebrities. Success on global marketplaces largely depends on how well products and ads align with the platform's search algorithms, rather than just on brand recognition or large-scale advertising campaigns. This underscores how important it is to use data, constantly test and optimize approaches, rather than blindly relying on past successes in international marketing [21].

## 6. Conclusion

Empirical evidence from a Russian company operating within the fast-moving consumer goods (FMCG) sector, covering the period from 2023 to 2024, has demonstrated that global e-commerce platforms, notably Amazon FBA, have become a pivotal factor in driving both rapid and sustained growth. Whilst the role of B2B online channels in ensuring the long-term stability of retail sales and the management of large volumes is still important, there is an increasing tendency for them to provide flexibility, scalability and analytical capabilities, as well as the provision of Amazon's marketplace.

Based on this analysis, the study offers a decision-making framework for FMCG companies planning international expansion.

It is recommended that priority be given to commercial platforms (e.g. Amazon FBA) if the following applies: The strategic objective is to expedite market entry, undertake brand testing, and engage directly with consumers who are purchasing at a high frequency. This approach is designed to establish a high level of digital competence and capacity for active investment in domestic marketing (15-20% of revenue) and organisational flexibility, enabling adaptation to changing market conditions.

In the following situations, it is recommended that offline B2B channels be prioritised: when the product requires a physical demonstration or testing; when consistent supply volumes take precedence over high profitability; and when the company has the administrative resources to manage the complex coordination and long payment cycles inherent in traditional export models.

Looking ahead to 2025, the subject company projects a doubling of its international revenue to €3.5 million, reinforcing the conclusion that the marketplace-first strategy is not merely a temporary adaptation to geopolitical sanctions, but a permanent and highly effective shift in the global FMCG

competitive landscape. This study highlights that successful internationalization in the current era requires a nuanced understanding of digital ecosystems, a commitment to data-driven marketing, and the organizational flexibility to pivot from traditional models to agile, platform-based strategies.

## Author Contributions

Conceptualization, Methodology, Writing (Original Draft), Formal Analysis, Visualization.

## Funding

This research received no external funding.

## Data Availability

Data sharing is not applicable to this article as no new datasets were created or analyzed in this study beyond the provided corporate case metrics.

## Conflicts of Interest

The authors declare no conflicts of interest.

## References

- 1 Zkharchuk, A. V. (2025). *Trade Diversification: How Russian Companies Shifted Markets to Bypass Sanctions*. Universidad Europea. <https://titula.universidadeuropea.com/handle/20.500.12880/12223>
- 2 Savolainen, E. A. (2026). *Sanctions and the Transformation of Russia's Logistics System After the War in Ukraine: Trade Reorientation and Implications for Global Supply Chains*. Theseus. <https://www.theseus.fi/handle/10024/913613>
- 3 Ilyich, P. D. (2025). *Russia's Strategic Economic Adaptation Under Sanctions*. Science Time. <https://cyberleninka.ru/article/n/russia-s-strategic-economic-adaptation-under-sanctions>
- 4 Kolomiets, V. (2025). *ROI/LFL-driven decision-making: a novel A/B testing approach for FMCG retailers to align CAPEX with comparable sales growth*. SSRN. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5276759](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5276759)
- 5 Hyökyvaara, P. (2022). *Internationalization through e-commerce: getting access to the US market and selling on Amazon.com*. Theseus. <https://www.theseus.fi/handle/10024/782722>

- 6 Heinemann, G. (2023). *Business model of online trade*. In *The new online trade: Business models, business systems and best practices* (pp. 45-89). Springer. [https://link.springer.com/chapter/10.1007/978-3-658-40757-5\\_2](https://link.springer.com/chapter/10.1007/978-3-658-40757-5_2)
- 7 KSE Institute. (2026). *79th issue of the regular digest on impact of foreign companies' exit on RF economy*. Kyiv School of Economics. <https://kse.ua/about-the-school/news/79th-issue-of-the-regular-digest-on-impact-of-foreign-companies-exit-on-rf-economy/>
- 8 Johanson, J., & Vahlne, J. E. (1977). *The internationalization process of the firm - a model of knowledge development and increasing foreign market commitments*. *Journal of international business studies*, 8(1), 23-32.
- 9 Oviatt, B. M., & McDougall, P. P. (1994). *Toward a theory of international new ventures*. *Journal of international business studies*, 25(1), 45-64.
- 10 Williamson, O. E. (1981). *The economics of organization: The transaction cost approach*. *American journal of sociology*, 87(3), 548-577.
- 11 Barney, J. (1991). *Firm resources and sustained competitive advantage*. *Journal of management*, 17(1), 99-120.
- 12 Yin, R. K. (2014). *Case study research: Design and methods*. Sage publications.
- 13 Farris, P. W., Bendle, N. T., Pfeifer, P. E., & Reibstein, D. J. (2010). *Marketing metrics: The definitive guide to measuring marketing performance*. Pearson Education.
- 14 Ries, E. (2011). *The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses*. Crown Books.
- 15 Statista. (2026). *Foreign companies' response to Russia-Ukraine war 2025*. <https://www.statista.com/statistics/1308773/foreign-company-response-to-russia-ukraine-war/>
- 16 Atlantic Council. (2025). *Russia Sanctions Database: April 2025*. <https://www.atlanticcouncil.org/blogs/econographics/russia-sanctions-database-april-2025/>
- 17 Bigblue. (2024). *Conquer Amazon Fulfilment: FBA vs FBM with the help of a 3PL*. <https://www.bigblue.co/blog/conquer-amazon-fulfilment-fba-vs-fbm-with-the-help-of-a-3pl>
- 18 ReferralCandy. (2026). *Amazon FBA vs FBM Comparison: Which Fulfillment Method is Right for Your Business*. <https://www.referralcandy.com/blog/amazon-fba-vs-fbm-comparison-which-fulfillment-method-is-right-for-your-business>
- 19 Tambo. (2025). *How FMCG brands can thrive on Amazon UK*. LinkedIn. [https://www.linkedin.com/posts/tambo\\_how-fmcg-brands-can-win-on-amazon-uk-right-activity-7341004258382606336-vmPV](https://www.linkedin.com/posts/tambo_how-fmcg-brands-can-win-on-amazon-uk-right-activity-7341004258382606336-vmPV)
- 20 YouGov. (2025). *Top FMCG brands in Europe*. LinkedIn. [https://www.linkedin.com/posts/yougov\\_brand-footprint-europe-ranking-activity-7349045258036359168-WtHI](https://www.linkedin.com/posts/yougov_brand-footprint-europe-ranking-activity-7349045258036359168-WtHI)
- 21 Dragon Dealz. (2026). *Amazon FBA Vs FBM: Pros, Cons & Costs*. <https://dragon-dealz.com/resources/blog/amazon-fba-vs-fbm/>