RegionRise

Testing the German market from 18,000 kilometres away

How New Zealand companies can get real market feedback from Germany before spending serious money on a local presence

By Maximilian Hedt | Co-Founder & Managing Director | RegionRise GmbH

On paper, the door to Europe has never been more open. Since the NZ-EU Free Trade Agreement entered into force on 1 May 2024, 91 percent of New Zealand's trade enters the EU duty free, rising to 97 percent once the agreement is fully implemented. The results have outrun the forecasts: New Zealand's exports to the EU grew 29 percent to NZ$8.8 billion in the year to December 2025, with industrial goods up 61 percent, and dairy, meat and horticulture all posting record numbers. Germany, already New Zealand's largest trading partner inside the EU, sits at the centre of that opportunity.

Tariffs, though, were rarely what kept a New Zealand B2B company out of Germany. The distance did. Your buyer works while you sleep, sits 18,000 kilometres away, and has plenty of local suppliers who can visit him on a Tuesday. In practice, finding out whether he would actually buy from you has meant spending money first, on a distributor agreement or your own entity, and hoping the answer justifies the spend.

The established shortcuts around that problem are weaker than they look. A distributor will tell you what serves the distributor. Trade fair visits produce business cards and anecdotes. Desk research is better than nothing, but it measures market size, and market size says little about whether a purchasing manager in Baden-Württemberg will answer your email.

Outreach is market research

There is a cheaper and more honest way to get the answer, and it does not require anyone on a plane. Treat structured outreach itself as market research. Define a deliberately narrow ideal customer profile: not “German manufacturing” but, say, ventilation equipment manufacturers with 100 to 500 employees and their own electronics development. Build a list of 100 to 300 named companies and decision makers. Write to them individually, in German, about their specific situation rather than your product range. Then measure what comes back.

What comes back is market feedback in its rawest form. You see reply rates, the objections people raise, who inside a company answers first and which use case they ask about, and you have all of it within weeks, without an intermediary interpreting it for you. Earlier this year we prepared a European IoT client for a major trade fair using exactly this approach, and individually researched outreach to a tightly defined profile produced around twenty qualified conversations with the technical buyers the client wanted to meet. The method itself is unglamorous. The list was carefully built, and every message was written in German, about the recipient’s own product line rather than ours.

Some German particularities are worth planning for. Expect the first substantive reply to come from the engineering department rather than from procurement, and expect it to contain detailed technical questions that deserve detailed answers. References carry unusual weight here; a single credible European customer, however small, changes the tone of every conversation that follows. And buying cycles are long by New Zealand standards, six to eighteen months for anything capital-intensive, which is exactly why cheap early validation matters. You want to be sure the market is real before you fund those eighteen months.

The regulation nobody wants, and why it opens doors

A less obvious lever is EU regulation itself, which most exporters file under cost of doing business. In our current work with German industrial companies it has turned out to be the most reliable conversation opener we have. Take the Cyber Resilience Act: it applies to virtually every product with software or connectivity sold in the EU, wherever the manufacturer sits, with reporting obligations starting on 11 September 2026 and full obligations from 11 December 2027. German manufacturers are wrestling with it right now, in many cases without the internal resources to deal with it.

For a New Zealand company selling anything connected, that cuts two ways. You will need a compliance story to sell into the EU at all. But once you have one, lead with it. A supplier who can speak fluently about CE marking and CRA readiness gets meetings that a product pitch alone does not. We see this weekly: emails that open with a regulatory deadline get answered by CTOs who ignored three previous approaches.

Ninety days to a real answer

None of this replaces being in the market eventually. If Germany works for you, you will want people on the ground, and there is no substitute for sitting across the table from a Mittelstand owner. But the sequence matters. Ninety days of structured, measured outreach will tell you whether that investment is worth making. When replies come, they show you which segment and which use case to build your entry around, along with the objections you will meet on the way. A silent market is an answer too, and a far cheaper one than a legal entity you no longer need. The decision ends up resting on evidence instead of on a distributor's enthusiasm.

The FTA has done its part of the work, and the trade numbers show German buyers are paying more attention to New Zealand than they have in years. What the agreement cannot tell you is whether Germany wants your particular product. That question deserves an answer before the first serious check gets written, and getting one has become considerably cheaper than most exporters assume.

Maximilian Hedt is Co-Founder and Managing Director of RegionRise GmbH, a Berlin-based firm and GNZCC member that builds and runs sales operations for companies entering European markets, working under the client's own brand. Contact: contact@regionrise.com | www.regionrise.com

Sources: NZ Ministry of Foreign Affairs and Trade, NZ-EU FTA Overview and Germany country page (2026); NZ Minister for Trade and Investment, statement of 1 May 2026 on two years of the NZ-EU FTA; European Commission, Cyber Resilience Act (digital-strategy.ec.europa.eu).