



# Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time **Selling** to Distributors versus **Searching** for Distributors”

## Looking for New Distributors?

How about 9,300? Export Solutions’ distributor database has helped 3,000 brand owners in 14 years speed up the process of finding qualified distributors. Our database covers an average of 85 distributors per country of supermarket type products for 96 countries. Search by country, category, brand name, or country of origin. Experts for Europe, Middle East, Latin America, and Asia with complete regional coverage. “Spend time *selling* to distributors versus *searching* for distributors.”

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## Now Serving: 8 Billion



The UN projects that the world population will reach eight billion in November. This milestone reflects one billion new citizens gained since 2011. Sixty percent of the world’s population resides in Asia, almost five times the combined total of Europe, USA, Canada, and Australia. The west still maintains a sizable advantage with purchasing power. However, an enormous opportunity exists targeting the top 20% of Asia’s population, a market exceeding one billion people. “Mouths plus money equals opportunity.”

### Lessons Learned

Why does it surprise us that Chinese people prefer Chinese food and Indians opt for Indian food? How popular is authentic Chinese food in Italy? Italian

### 2023 Hot Markets

1. USA  
(International Brands)
2. Saudi Arabia
3. VIP’s: VN, ID, PI
4. Poland
5. Mexico

food has had some success pioneering across Asia. However, the clear conclusion is that western food has struggled to attain popular acceptance in the high-growth, emerging market countries. Our brands remain niche,

## Now Serving: 8 Billion

as Asian consumers stick to their traditional dishes, with European and USA favorites appreciated by a small group of upscale culinary explorers. Confectionery and snack categories remain exceptions, as everyone enjoys a sweet treat. Starbucks and Coca Cola should be recognized for converting tea drinkers, but these leaders operate with massive resources, far beyond most exporters.

### Food Diversity Quotient

Examination of a country's Food Diversity Quotient (see page 4 article) supplies important clues on market prioritization. This may increase the attractiveness of global cities like Tokyo, Seoul, and Singapore versus New Delhi or Jakarta. Another option is to pair your product with local dishes to create new recipe ideas. Partner with a local chef and food technologist for ideas. The foodservice channel serves as an important showcase in Asia for Western food.

### M & A – Accelerator

Acquisition is an effective strategy to gain critical mass, particularly in Southeast Asia. Many consumers appreciate food from an adjacent Asian country that may be more similar to their own cuisine. Large European and USA companies may "buy local scale" and establish a platform to produce their core brand locally and export to nearby countries. Acquisitions are not "risk free" and frequently require overseas expatriates to share best practices and manage the money.

### High Class to Mass

Each country features a gourmet supermarket chain catering to high income consumers. A success strategy is focusing trade promotion resources at these upscale retailers before expanding availability to mass retailers. For example, the top ten percent of Indonesia's population represents a market of twenty-eight million people, similar to Benelux. The middle class totals about fifty million Indonesians, larger than Spain.

### E-commerce

E-commerce appears as a primary source of revenue for many overseas brands, particularly in China and South Korea. This requires a unique go-to market and investment strategy. Brands targeting

e-commerce may consider aligning with a distributor specializing in this channel. Volume-oriented companies should also calculate brick-and-mortar retail costs when developing a total-country pricing strategy. A streamlined value-chain model may succeed for e-commerce but not function when competing in the costly battle for shelf-space game.

### Right Fit Distributors

There are many powerful distributors in Asia. A key is to align your aspirations and marketing investment with your distributor profile. Companies committed to brand-building activation should partner with massive distributors with omni-channel capabilities. However, if you are operating with a limited budget, consider a smaller, hungry pioneer willing to dedicate more resources to launching innovative, premium products.

### Meet the VIP's

Vietnam, Indonesia, and the Philippines feature a combined population approaching 500 million people. All of these countries are at early stages of development, so cost of entry remains low relative to the giant populations and mid- to long-term size of the prize. Indonesia features a labyrinth of registration requirements, patiently handled by the local distributors. Vietnam is the new outsourcing star, as manufacturing companies seek an alternative to China. Both Philippines and Vietnam maintain positive acceptance of "made in the USA" consumer products.

## Asia's Next Billion

	Population (millions)	Top 20%* (income)
China	1,426	285
India	1,417	283
Indonesia	280	56
Japan (80%)	126	100
Philippines	113	22
Vietnam	100	20
Thailand	72	14
South Korea (80%)	52	40
Malaysia	33	7
Taiwan (80%)	24	19
<b>Total</b>	<b>3,643</b>	<b>846</b>
*Top 80%: Japan, South Korea, Taiwan		

### Where is Your Team?

In the past, export managers serviced Asia with a few grueling two-week trips per year. Advanced companies created regional headquarters in expat-friendly hubs like Hong Kong and Singapore. Today, winners are shifting emphasis to local hires in the VIP's, Malaysia or Thailand. These emerging countries feature talented executives trained by multinationals at an affordable compensation package when paid in local currency. These managers wake up in the market, speak the language, and dominate the attention of leading distributors.

### Export Solutions Can Help

Export Solutions has executed more than 50 projects across Asia. This includes multiple distributor search projects across India, Japan, South Korea, Indonesia, Philippines, Taiwan, and even Mongolia and Myanmar. Export Solutions' Asia-Pacific distributor database is extensive, supplying information on more than 2,000 distributors across 17 countries. This translates to an average of 120 distributors of all types of branded products covering every aisle of the store. Looking to accelerate your business in Asia? Export Solutions can help!