

Myanmar retail & consumer FMCG landscape mapping Master proposal



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Background & objectives

- Since mid May of 2012, Myanmar sanctions have been lifted, opening a 56 million population market to the world. Since then TNS has had an overwhelming number of requests from our global client base about the opportunities in Myanmar.
- Many of these requests have had very similar aims and objectives, of which the key business objective was...
"What are the present & future opportunities for growth for my business and what are the key consumer market trends / insights to identify specific brand & category strategies"
- As of October 19, TNS launched the TNS Myanmar Syndicated Retail and Consumer FMCG landscape study conducting a total of 11,275 interviews across 12 urban and rural locations in Myanmar covering both the retail trade landscape as well as urban consumer behavior and category deep dives across 17 FMCG categories.

TNS syndicated offer: "ALL-IN-ONE"

Myanmar Retail and Consumer FMCG Landscape



Retail Component



Understanding & measuring the **supply** side of the market: distribution; market volume and brand share



Consumer Component



Understanding the **demand** in the market: penetration, brand choice and commitment; gaps/ opportunities; purchase/ usage patterns

ALL-IN-ONE consists of 4 modules

1. Retailer overview

Retailer profile

- Outlet type/ product range specialty/ storage/ revenue scale
- Supplier/ direct account of any manufacturer
- Estimate local vs. imported goods

Category level: availability of category in store

2. Retailer category deep dive

For each category

- Numeric distribution (availability)
- Importance of channel
- Brands & SKUs Availability & Price
- Category volume size / brand volume share
- Category/ Brand's POS/ Promotion
- Local vs. import
- Category margin
- Stocking/ Credit/ Delivery
- Source of supply
- Importance of brand selection criteria, source of influences

3. Consumer overview

Consumer profile

- Personal & HH demographics
- Income/ spending/ savings
- Attitudes towards brands/ country of origin
- Shopping habits
- Lifestyle/ media habits
- Reservations & aspirations

Category level: Penetration & Share of wallet of all categories.

4. Consumer category deep dive

For each category

- Category penetration
- Category drivers/ barrier;
- User profile
- Purchase habits: volume; frequency, pack size, channel
- Usage habits: frequency, occasion, how to use, quantity of use
- Brand awareness/ usage; source of awareness
- Category opportunity/ brand imageries

Urban & rural coverage

Urban 40%

2 sampled cities

Yangon

Mandalay

Rural 60%

10 sampled locations

Hilly region: Taunggyi, Lashio

Dry region: Magway, Monywa

Plain region: Pyaw, Taungoo

Delta region: Patheingyi, Hinthada

Coastal region: Myeik, Mawlamyath



Myanmar retail & consumer

TNS

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Retailer



What is MyLife?

- **MyLife** is a groundbreaking, first of its kind, syndicated study that was initiated in late 2012 in Myanmar. MyLife consists of over 11,000 interviews with everyday consumers, household and personal product users, and retailers, making it the single largest and most comprehensive consumer / retail focused syndicated study ever carried out in Myanmar. MyLife's goal is to provide clients with both consumer and trade insights leading to a holistic understanding of the current landscape in Myanmar.
- **MyLife Urban Retail Overview** consists of interviews with 825 retailers across all channels in two largest cities, Yangon and Mandalay. It provides trade insights into importance of channel, business profile and distribution level of different FMCG product categories



Retail – design specs

Methodology	■ In-Store observation to record ■ Channel/ Types of outlet ■ Space/ Storage/ Product range specialty ■ Availability of category/ brands/ SKUs ■ Category/ brand POSM <i>(Observation not applicable to Horecas, information will be obtained from the interview with store owner)</i> ■ F2F interviews with store owners using structured questionnaire (appx. 20 minutes overview & 30 minutes Category Deep Dive/ category).
Channel	■ Traditional Trade (Kiosk/ hawker, Convenience store, General store, Grocery, Wet market) ■ Modern Trade (Super Market, Modern Convenience store, Mini market) ■ Teashops ■ Horecas (Hotel, High End Restaurant, Low End Restaurant)
Sampling	■ Quota sampling, proportionately to size for Non-Horecas. ■ Fixed quota for Horecas (to achieve readable base)
Sample size	■ Urban overview : 825 (Yangon: 473, Mandalay 152) – including horecas ■ Rural overview : 1000 (200 per location) – including horecas ■ Urban deep dive: 250 (Yangon: 150, Mandalay 100) ■ Rural deep dive: 250 (25 per location)
Qualifications	■ Store owner or manager, in position for at least 1 year ■ Store in business for at least 1 year, sales from MMK350,000/ month (USD 400) ■ <u>For deep dive</u>: Have category of interest on stock

Myanmar retail & consumer

Areas of investigation

Myanmar snapshot	Myanmar facts, history, Myanmar's evolution		Secondary research
Country's growth indicators	Population, Growth rate, GDP, FDI, Import/ Export		Secondary research
Retail landscape	Channel importance, store size by revenue/ number of staff/ area space, street size		Primary research
Distribution	Category numeric distribution, best selling and fastest growing categories		Primary research
Supply	Supplier types, direct account of manufacturer		Primary research
Retailer expectation	Expectation on different factors (margin, service, ...)		Primary research
Country of origin	Revenue from local/ imported products, preference on product origin		Primary research

Categories covered in Incidence check

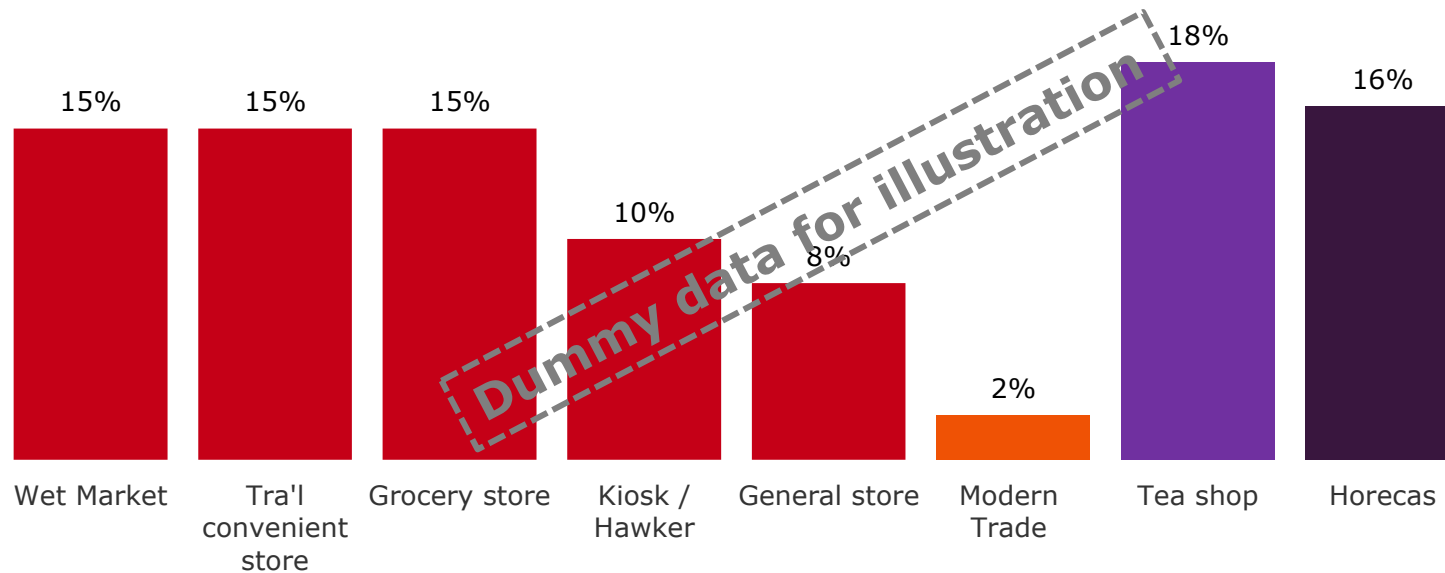


Products

1. **Hair care** (Shampoo, Hair conditioner, post wash products)
2. **Facial care** (Facial cleansing, moisturizer)
3. **Skin cleaning** (Hand and body cleanser)
4. **Oral care** (Toothpaste, toothbrush, mouthwash)
5. **Deodorant**
6. **Beverage** (Instant/ branded, unbranded coffee, RDTT, loose branded/ unbranded tea, malt drink, CSD, fresh fruit/ vegetable juice, energy drink, sports/ isotonic drink, beer)
7. **Dairy** (Infant/ growing up formula, UHT milk, , full cream powder milk, branded/ unbranded fresh milk, branded condensed and evaporated milk, branded/ unbranded soy milk, drinking yoghurt)
8. **Tobacco** (Manufactured cigarettes, roll your own, cheroot, pipe tobacco, cigarillo, cigars)
9. **Household care** (Detergent powder/ paste/ bar, fabric conditioner, dishwashing liquid, floor cleaner, toilet cleaner, multi-purpose, liquid kitchen cleaner, glass cleaner, insecticide, air freshener)
10. **Dry foods** (MSG, seasoning granules/ powder, stock cubes, instant noodles and congee)

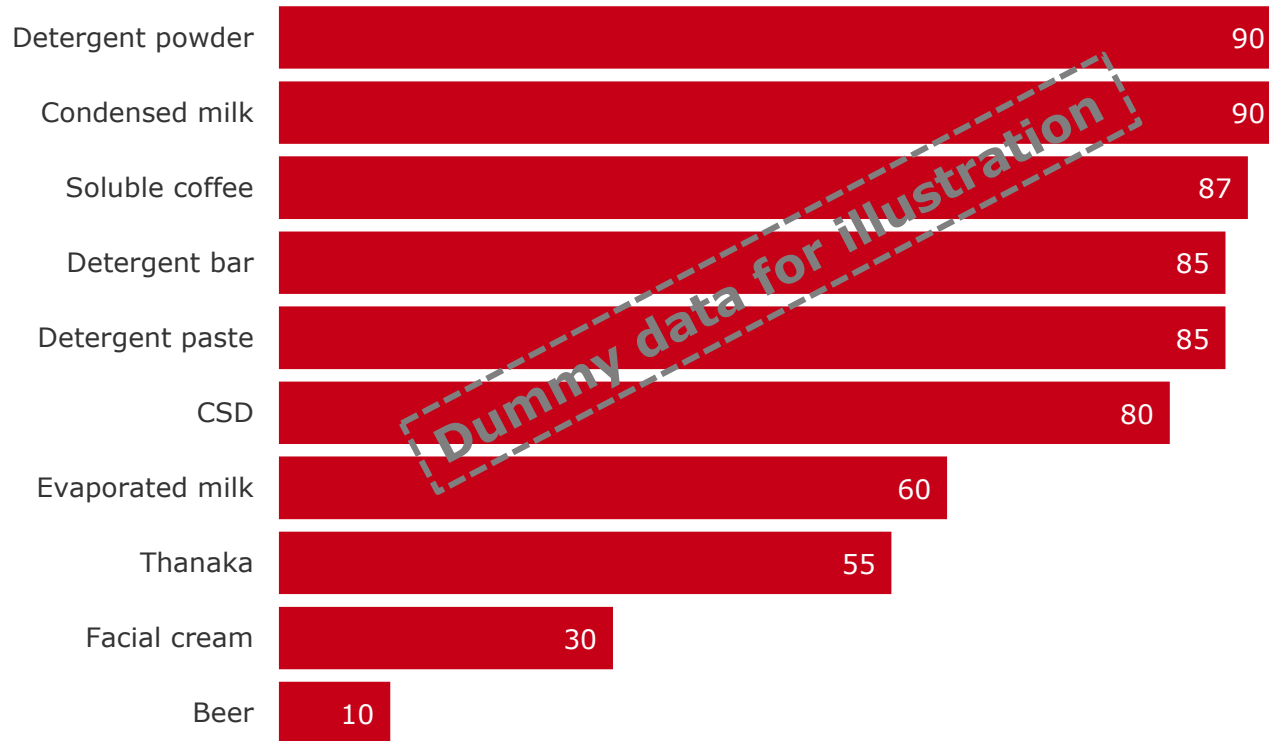
Retailer – Sample of outputs (1)

Channel importance



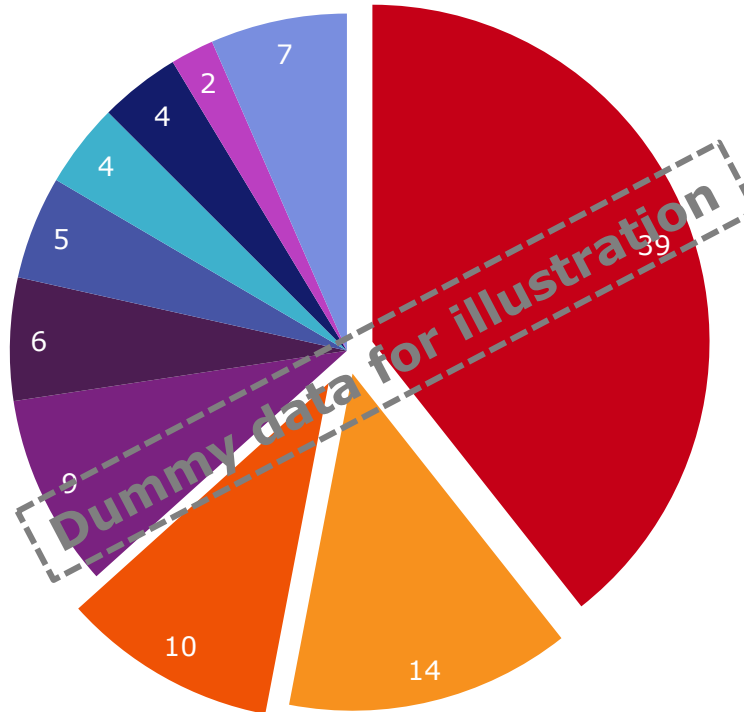
Retailer – Sample of outputs (2)

Category distribution



Retailer – Sample of outputs (3)

Brand volume share



■ Brand A ■ Brand B ■ Brand C ■ Brand D ■ Brand E
■ Brand F ■ Brand G ■ Brand H ■ Brand I ■ Others

2

Consumers



Consumer – Design specs

Methodology

- F2F interviews with individuals
- Structured questionnaire, appx. 45 minutes for Overview & 40 minutes for Category Deep Dive

Target group

- Any income classes
- Male/ female aged 18-55 y.o for the Overview
- For Personal/ Home care/ Foods/ UHT Milk: Female, main grocery shoppers, aged 18 – 55 y.o
- For Infant formula/ GUM: Female, with kids 0-12 ms (Infant) or 1- 3 yrs (GUM), aged 18 – 55 y.o
- For beverages: Male/ Female aged 18 – 55 y.o
- For tobacco: Male aged 18 yrs – 55 y.o
- Purchase decision makers

Sampling

- Random sampling

Sample size

- Urban overview: n= 1000 (Yangon: 600, Mandalay: 400)
- Urban deep dive: n= 500 (Yangon: 350, Mandalay: 150. Of which 350 are users, 150 are potential users)

What is MyLife?

- **MyLife** is a groundbreaking, first of its kind, syndicated study that was initiated in late 2012 in Myanmar. MyLife consists of over 10,000 interviews with everyday consumers, household and personal product users, and retailers, making it the single largest and most comprehensive consumer / retail focused syndicated study ever carried out in Myanmar. MyLife's goal is to provide clients with both consumer and trade insights leading to a holistic understanding of the current landscape in Myanmar.
- **MyLife Consumer Overview** consists of interviews with 1,000 urban consumers aged across 18 to 55 living in Myanmar's two largest cities, Yangon and Mandalay and covers all income groups. It provides consumer insights into demographics, income/ savings and expenditures , consumer's point of view about products and life up to durable ownership, product penetration /usage, shopping and media habits.



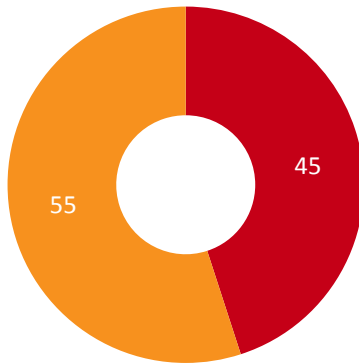
MyLife Consumer Overview – Primary & secondary research

Methodology	■ F2F interviews with individuals ■ Structured questionnaire ■ Random Sampling	 Primary research
Location & sample size	■ Mandalay, n= 400 ■ Yangon, n= 600	
Target Group	■ Any income class ■ Females, males ■ Aged from 18-55 yrs. ■ Purchase decision makers ■ Working and non-working	
Sources	■ IMF database ■ TNS Cambodia Life 2012, TNS VietCycle 2011 ■ Myanmar The Golden Land?, Ogilvy & Mather 2012 ■ Wikipedia ■ http://www.census.gov/	 Secondary research

A snapshot of our respondents.

Gender *

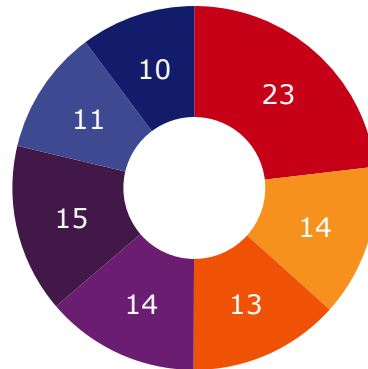
%



■ Male ■ Female

Age

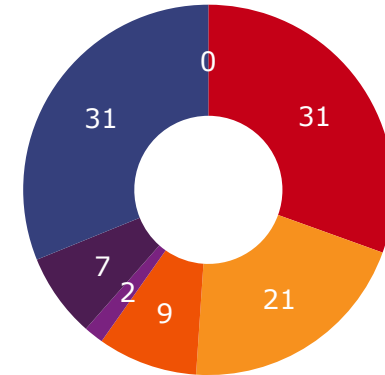
%



■ 18-25 ■ 26-30 ■ 31-35
 ■ 36-40 ■ 41-45 ■ 46-50
 ■ 51-55

Work

%



■ Paid employment (> 30 hrs/wk) ■ Paid employment (<30 hrs/wk)
 ■ Work for family business ■ Student with part-time job
 ■ Student - not working ■ Housewife

Local insights:

Disproportionate level of females surveyed due to males typically not being home during interview times. Also a large number of males are in the army or just out stationed in another part of the country.

Source: S3. Age, Base: N=1000 (Total); S4. Gender, Base: N=1000 (Total); S5. Current working situation, Base: N=1000 (Total)

Areas of investigation

Myanmar snapshot	Myanmar facts, history, Myanmar's evolution		Secondary research
Country's growth indicators	Population, Growth rate, GDP, FDI, Import/ Export		Secondary research
Demographics	Age, income, education, family structure, marital status, religion, ethnicity, business activities		Primary research
Lifestyle & attitudes	Core values in life, main fears in life, leisure time and social activities		Primary research
Income, Savings, Expenditures	Household & personal income, #income sources, saving methods, expenditures, # bread earners		Primary research
Durable ownership	Household durable ownerships, personal durable ownership, purchase intention, brands owned		Primary research
Product usage	Current usage, usage frequency, spending each product category,		Primary research
Shopping habits	Shopping frequency, store types, average spending/ trip, preferred promotions,		Primary research
Perceptions towards products	Habits/ point of view about products/ brands, importance of country of origin		Primary research
Media habits	Source of information, frequency and favourite media channels (newspaper, magazine, TV channels, TV program)		Primary research

Categories covered in Incidence check



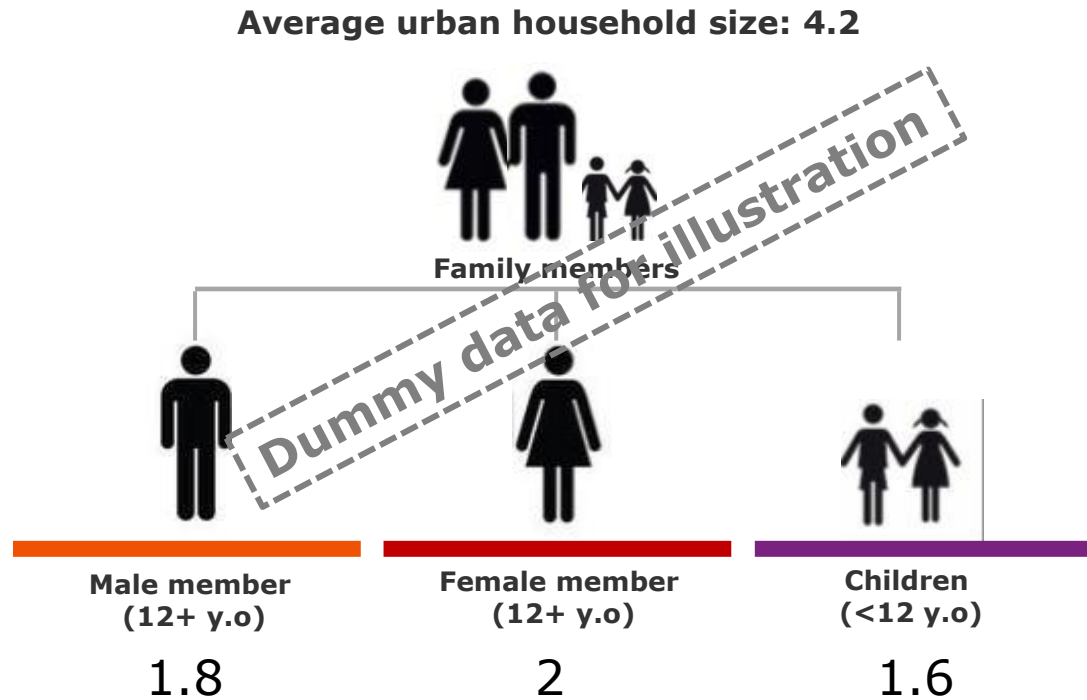
Products

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2. **Facial care** (Facial cleansing, moisturizer)
3. **Skin cleaning** (Hand and body cleanser)
4. **Oral care** (Toothpaste, toothbrush, mouthwash)
5. **Deodorant**
6. **Beverage** (Instant/ branded, unbranded coffee, RDTT, loose branded/ unbranded tea, malt drink, CSD, fresh fruit/ vegetable juice, energy drink, sports/ isotonic drink, beer)
7. **Dairy** (Infant/ growing up formula, UHT milk, , full cream powder milk, branded/ unbranded fresh milk, branded condensed and evaporated milk, branded/ unbranded soy milk, drinking yoghurt)
8. **Tobacco** (Manufactured cigarettes, roll your own, cheroot, pipe tobacco, cigarillo, cigars)
9. **Household care** (Detergent powder/ paste/ bar, fabric conditioner, dishwashing liquid, floor cleaner, toilet cleaner, multi-purpose, liquid kitchen cleaner, glass cleaner, insecticide, air freshener)
10. **Dry foods** (MSG, seasoning granules/ powder, stock cubes, instant noodles and congee)

Note: full detailed reports on 17 categories mentioned above also available

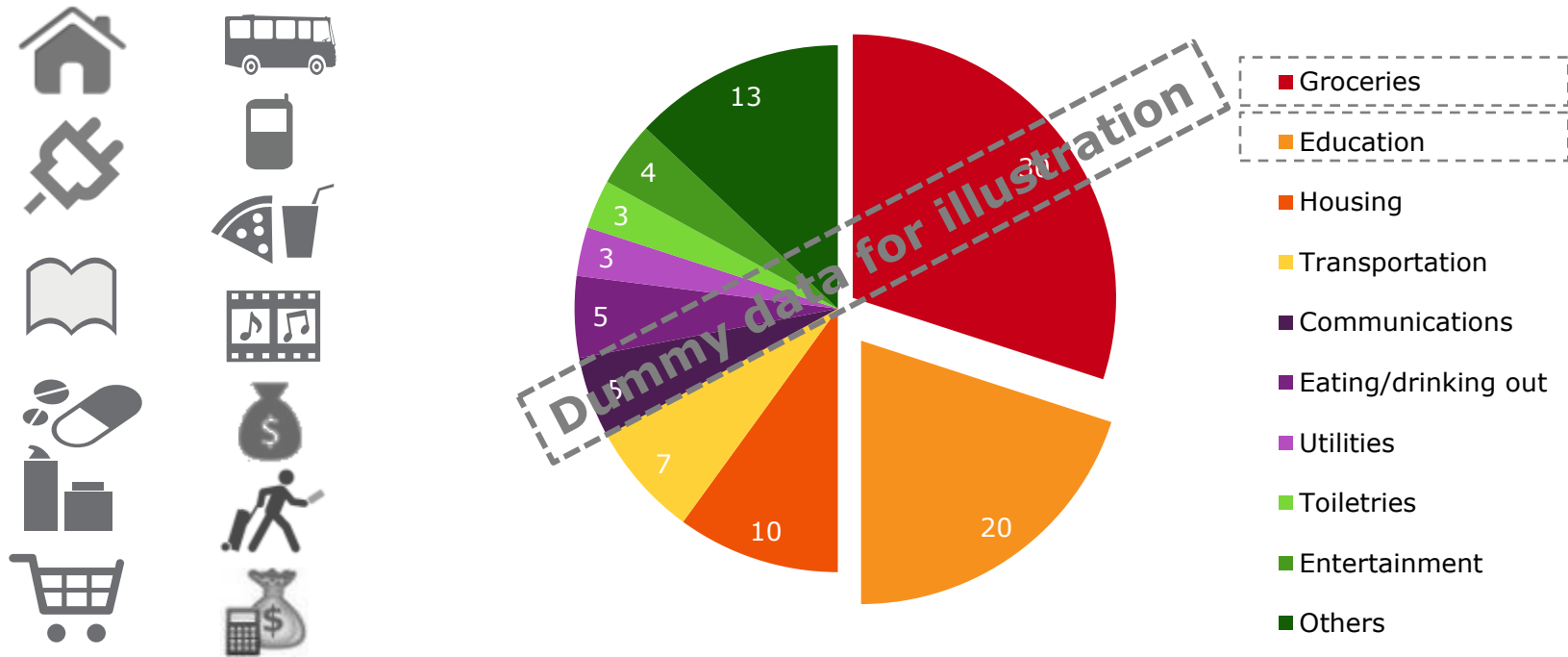
Consumer – Sample of outputs (1)

Family structure (average #)



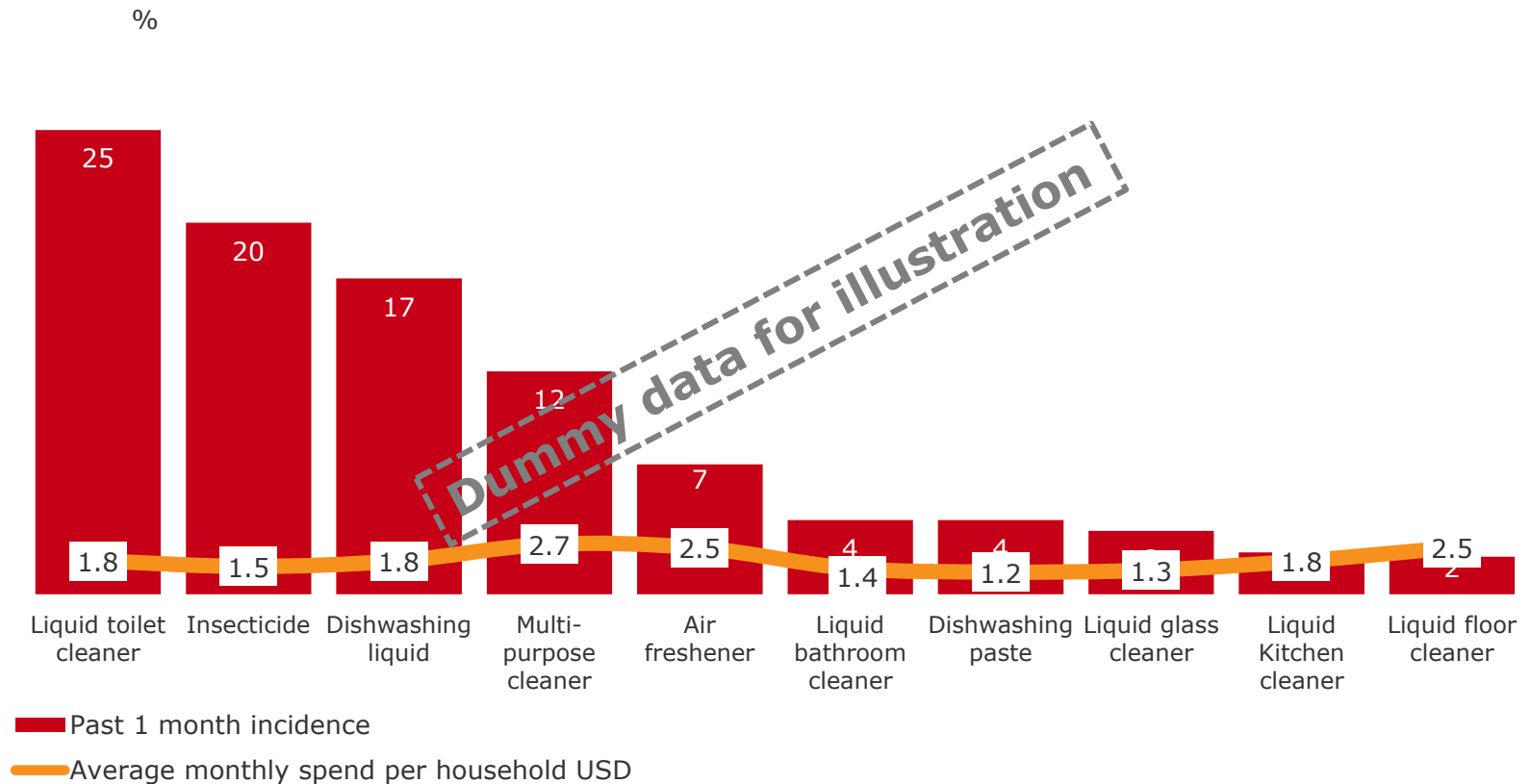
Consumer – Sample of outputs (2)

Household expenditure breakdown %



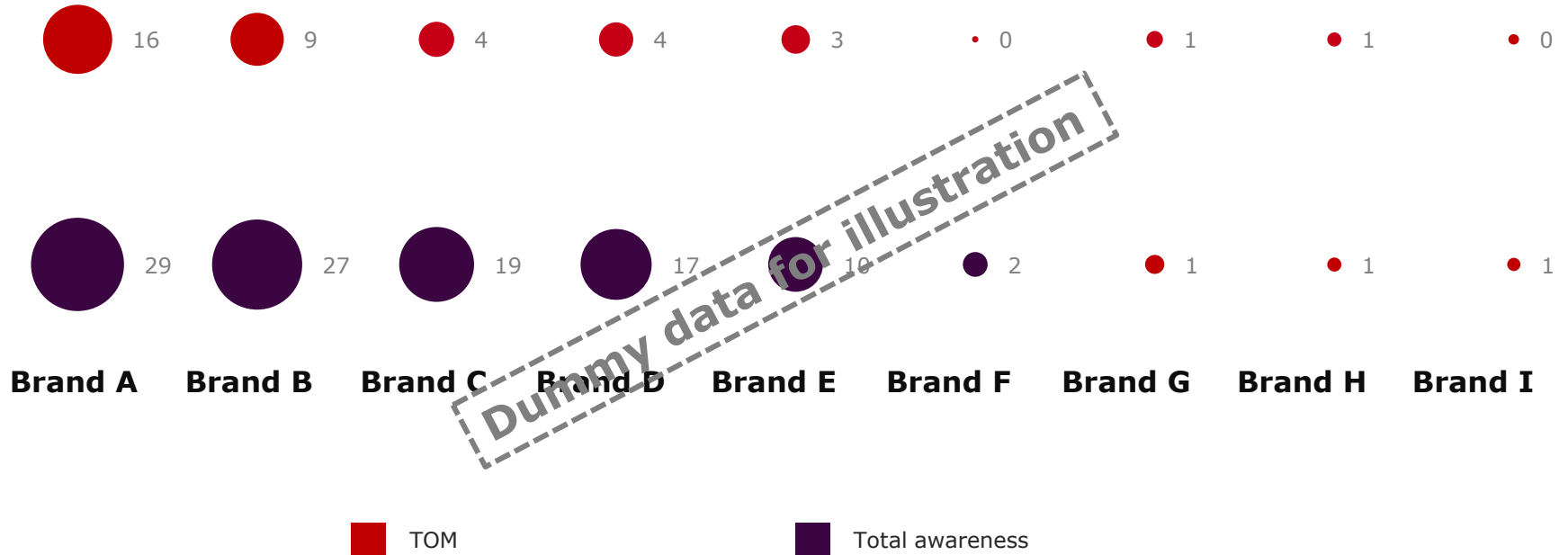
Consumer – Sample of outputs (3)

Past 1 month incidence and monthly spend



Consumer – Sample of outputs (4)

Brand Awareness



3

Category coverage

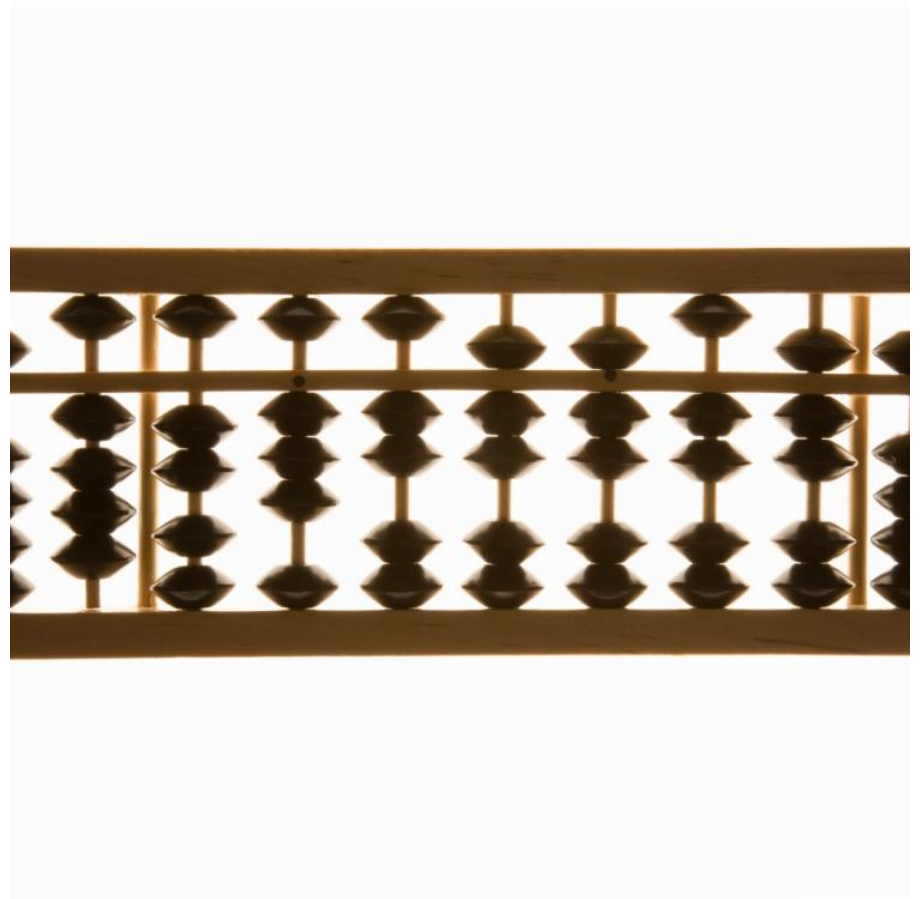


Categories coverage

	Categories	Current coverage
Personal care	Hair care (shampoo & conditioner)	Urban consumer
	Facial care (facial cleanser & moisturizer)	Urban consumer
	Oral care (tooth paste & tooth brush)	Urban consumer
	Skin cleanser (bar & liquid soap)	Urban consumer
Home Care	Detergent (bar, paste, powder)	Urban consumer
	Fabric conditioner	Urban consumer
	Dishwashing (liquid, bar, paste)	Urban consumer
Foods	Culinary (MSG, seasoning granule/ powder)	Urban consumer
	Instant noodles/ congees	Urban consumer
Dairy	Infant formula powder (0-12 months)	Urban consumer
	Growing up milk (1- 3 years)	Urban consumer
	UHT Milk	Urban consumer
Non-alcoholic beverages	Sparkling/ CSD	Urban consumer & retailer
	Sports/ isotonic/ Energy drink	Urban consumer & retailer
	Evaporated/ condensed milk	Urban retailer
Others	Tobacco (cigarettes)	Urban & rural consumer & retailer
	Credit cards (mini)	Urban consumer & retailer

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Delivery dates & investment



Delivery dates & investment

	#	Modules	Sample	Fees (USD)	Delivery date
Overview Studies	1	Consumer Urban Overview	1000	7,000	31 Jan 2013
	2	Retail Urban Overview	825 (tobacco)	7,500	31 Jan 2013
	3	Retail Rural Overview	1,000 (tobacco)	13,000	18 Feb 2013
	#	Categories (Urban only)	Sample	Fees (USD)	
Personal care	4	Hair Care	500 consumers	15,000	31 Jan 2013
	5	Facial care	500 consumers	15,000	5 Feb 2013
	6	Oral care	500 consumers	15,000	8 Feb 2013
	7	Skin Cleanser	500 consumers	15,000	5 Mar 2013
Home Care	8	Detergent	500 consumers	15,000	5 Feb 2013
	9	Fabric conditioner	500 consumers	15,000	5 Mar 2013
	10	Dishwashing	500 consumers	15,000	5 Mar 2013
Foods	11	Culinary	500 consumers	15,000	5 Feb 2013
	12	Instant noodles/ congees	500 consumers	15,000	5 Feb 2013

The fees above are exclusive of 10% VAT.

Our standard payment term is 50% upon subscription, 50% upon report delivery

Delivery dates & investment

	#	Category (urban only unless stated)	Sample	Fees (USD)	Delivery date
Dairy	13	Infant formula milk (0-12 months)	500 consumers	8,500	8 Feb 2013
	14	Growing up milk (1-3yr)	500 consumers	15,000	8 Feb 2013
	15	UHT Milk	500 consumers	7,500	25 Feb 2013
Non-alcoholic beverages	16	Sparkling/ CSD	500 consumers	17,000	20 Feb 2013
	17	Sparkling/ CSD	250 retailers	15,000	8 Feb 2013
	18	Sports/ isotonic/ Energy Drink	500 consumers	19,500	20 Feb 2013
	19	Sports/ isotonic/ Energy Drink	250 retailers	16,500	28 Feb 2013
	20	Evaporated/ condensed milk	250 retailers	16,500	5 Feb 2013
Tobacco	21	Consumer deep dive	500 consumers	17,000	5 Mar 2013
	22	Retail deep dive (urban)	250 retailers	15,000	5 Feb 2013
	23	Retail deep dive (rural)	250 retailers	16,000	22 Feb 2013
Credit cards	24	Credit Cards	1,000 consumers	10,500	From Mar 2013
	25	Credit Cards	625 retailers	8,500	From Mar 2013

The fees above are exclusive of 10% VAT.

Our standard payment term is 50% upon subscription, 50% upon report delivery

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TNS standard terms & conditions



Taylor Nelson Sofres (TNS) Vietnam Pte. Ltd, Standard Terms & Conditions



Our full standard terms and conditions are in the embedded word document.
Please pay particular attention to the key clauses reproduced below.

INTELLECTUAL PROPERTY RIGHTS AND USE OF TNS NAME AND LOGO

- 1 For Custom Research Services, the Intellectual Property Rights in the Deliverables vest in the Client subject to payment of all Fees due to the Company in respect of such Deliverables.
- 2 The Deliverables provided by the Company are normally only for the Client's internal use. The Client undertakes to inform the Company of any intended wider publication of any Deliverable or any results (whether wholly or in part) supplied by the Company prior to release. The Client shall not disclose any Deliverable publicly in any manner that exaggerates, distorts or misrepresents the findings of or data supplied by the Company or is likely to harm the Company's or any TNS Group Company's reputation or business.
- 3 The Client understands that it must inform the Company in writing prior to the commencement of any work if it intends to make any advertising, public statement, marketing material, press releases or the like ("public statement") that contain the whole or any part of the Deliverables or any part of the Services. The Client shall not make any such public statement based on any Deliverable or on any part of the Services without the prior written consent of the Company.
- 4 Each party shall be entitled to list the other as its service provider or client in marketing/promotional material, except for this right the Client shall have no right to use the Company's name, trade mark, logo, or slogans without the prior written consent of the Company.

LIMITATION OF LIABILITY

- 1 Unless otherwise agreed in writing by the Company, the Company's liability for any claims, demands, damages, costs (including legal costs) and expenses resulting from any act or omission, and/or breach of the terms and conditions set out in this Contract by the Company shall be strictly limited to the amount of any Service Fees receivable by the Company in respect of the specific Deliverable which is the subject of the potential claim. The Client shall only have the right to bring a claim against the Company for a period of one year from the date of the completion of the Service or Deliverable or the termination or expiry of this Contract, whichever is the earlier.
- 2 The Company shall not be liable for the Client's loss of profits, loss of turnover, loss of data, loss of business opportunities, or consequential loss. Liability is not excluded for (a) fraudulent misrepresentations, and/or (b) death or personal injury caused by the negligence of either party. The Client acknowledges that the Proposal has been put together on the basis that if the Client requires additional protection or cover, the Client should take out its own insurance.

Taylor Nelson Sofres (TNS) Vietnam Pte. Ltd,

Payment Terms & Invoicing

PAYMENT TERMS & INVOICING

- 1 Unless otherwise agreed in writing, payment of the Fees shall be one-half on the Acceptance date and the balance on delivery of the Deliverables. If a Service is to be carried out in stages, with interim Deliverables, final invoices for each stage will be raised on delivery of relevant interim Deliverables.
- 2 If the Fee has been based upon information provided by the Client which is subsequently shown to be incomplete or incorrect, the Company shall be entitled to increase the Fee to take account of any resulting additional time involved in providing the Services (or additional services) and any necessary additional costs incurred by the Company.
- 3 The Company shall be entitled to recover re-imbursable expenses incurred pursuant to the provision of the Services, unless such expenses have been included in the Fees.
- 4 For Services carried out wholly or in part outside Vietnam, if through any currency fluctuation the USD equivalent of the cost to the Company of any obligations incurred in respect of overseas work for the Client exceeds the cost shown in the Proposal, the Company shall be entitled to charge for such obligations at the exchange rate which is in operation at the time the payment is made abroad. Where prices quoted in the Proposal refer to currency other than USD the applicable currency: USD exchange rate shall be fixed at the spot rate for exchange of Vietcombank for the purchase of the relevant currency in Vietnam on the Acceptance date.
- 5 All invoices shall be due on the invoice date and shall be subject to payment within 7 days. Any payment after this 7 day period shall entitle Company to charge interest at the rate permitted by statute from the invoice date to the date when the Company receives full payment. Client shall pay the interest promptly on demand.
- 6 If any amount payable to the Company (or its nominee) pursuant to this Contract is subject to Tax, that amount shall be increased so as to ensure that the net amount received by the Company (or its nominee) shall, after Tax, be equal to that which would have been received had the payment and any increased payment not been subject to Tax.

Thank you

Ralf Matthaes

Regional Managing Director
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