FOR PUBLIC RELEASE

Diabetic Snack Foods

Market Insights in China and Singapore

AUGUST 2018

Ministry for Primary Industries
Manatū Ahu Matua

ECONOMIC INTELLIGENCE UNIT

Ministry for Primary Industries
Manatū Ahu Matua

DISCLAIMER

THE CHALLENGE OF DIABETES IN CHINA AND SINGAPORE

Diabetes is a chronic illness that occurs when the body is not able to make, or effectively use insulin. Over time this can result in raised glucose levels in the blood. This is associated with damage to the body and failure of various organs and tissues. This causes significant costs to the quality of life for individuals affected with this illness, as well as the healthcare sector required to care for them. In 2017, China spent over US$110 billion in healthcare to treat diabetes.

Type 2 diabetes, which can be caused by poor diet, lack of exercise and obesity continues to rise steadily in Singapore and China.

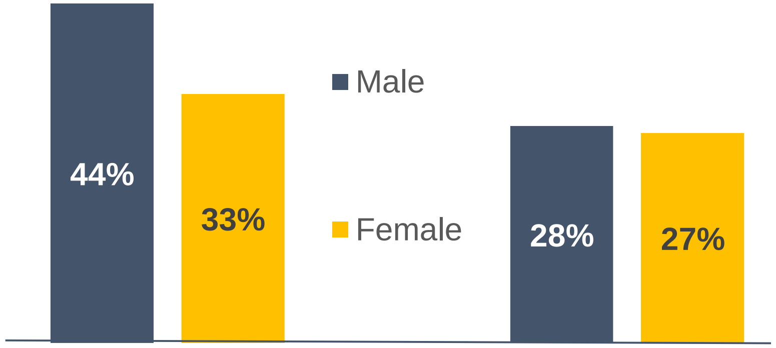
- The International Diabetes Federation in 2017 estimated that the number of diagnosed prevalent Type 2 diabetes in China is expected to increase to over 40 million in 2025 (an increase from 35 million in 2015).
- In Singapore, the prevalence of Type 2 diabetes is expected to double to 15% of the population in 2050 from a base rate of 7.3% in 1990 according to a 2014 study by the National University of Singapore.

As a result, there is a growing push by both consumers and governments to find preventative solutions for diabetes, creating an opportunity to develop products that meet these diabetic needs such as a low glycaemic index products. These products will also need to appeal to attributes traditionally valued by consumers such as taste.

Diabetes Snapshot:

	Singapore	China
2017 Population	5.6 million	1.4 billion
2015 Rate of Diabetes	10.5%	9.8%
2015 Rate of Pre-diabetes	12%	37%*

Rates of overweight and obesity in 2013 (percentage of population)



*data from 2013

KEY MESSAGES

China and Singapore were assessed to determine products and consumer preferences towards snack products, specifically healthy snack bars. Consumers in both markets seek sugar-free snack products which include good ingredients and are made to a high standard. They want to retain control over what they eat, and require relevant and easily digestible data to inform their choices.

1

PRODUCTS

Most snack bars target fitness, general healthiness or sugar free attributes. Sugar free nutrition bars capture more value than other advertised attributes in both markets.

2

CUSTOMERS

Customers are concerned about their health, but based on product sales are not currently looking for specific 'diabetic' products. Education of consumers about the benefits of the health functionality and any novel food ingredients used will be critical to product success.

3

MARKETING

High value pricing and demographic trends indicate the key segment in both markets are mothers buying for their families. Products should align accordingly to capture this high value market.

BROADER CONSIDERATIONS:

High level findings indicate a strong correlation of healthy snack products with drinking yoghurts, with less emphasis on health with sweet snacks such as biscuits and cereal bars. Findings from our research on product category sales and brand research indicate three key value add considerations:

4

BRANDING

Findings indicate a targeted branding focus with Chinese language across all brand and product material is a strong predictor of product value in China. Singapore is still responsive to western branding.

5

PROMOTING HEALTH

The Government of Singapore is influencing consumer purchasing trends towards healthier products with the use of a Healthier Choice Symbol (HCS). Attaining the HCS will assist with healthier product positioning and efficiently create trust with Singapore consumers.

6

PRODUCT FORMATS

Drinking yoghurt is most valuable snack product in both markets. Creating a novel food ingredient for business to business (B2B) use could be a solution to access this concentrated market.

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OUR APPROACH

What we explored

1

Demographics
Diabetic health profiles of both China and Singapore were analysed to determine population sizes at risk of diabetes related illness.

Identify Snack Food Category Products
Obtain high level sales data of product categories, growth rates, major brands and product formats.

2

Identify Products
Pull nutrition bar products from leading online retailers, including data such as price, weight, images, etc.

Consumer Segments
Identify the leading consumer segments based on product marketing data and consumer reviews.

3

Dietary Segments
Identify which diet claims provide access to the most valuable consumer segments.

Main Ingredients
Using the product data collected, determine which ingredient groups are the most successful.

Innovative Products
Determine what trends new and established products are doing to establish new products in the market place.

Our analysis is based on a combination of automated data collection and machine learning to develop insights for product development.

The objective was to identify consumer segments and successful products in Singapore and China.

Conversion Rates Used:

1 RMB = 0.22 NZD
1 SGD = 1.04 NZD

CHINA

Broad Product Overview

KEY MESSAGES FROM SNACK PRODUCT OVERVIEW IN CHINA

Current Market Snapshot

Three snack categories were analysed. All displayed different trends.

- *Yoghurt, specifically drinking yoghurt* - is an extremely lucrative category with large market size (NZ$21 billion) and a future expected compound annual growth rate (CAGR) of (16.5%). It is however highly concentered with only a few successful brands and companies operating in the space.

- *Savory snacks* – Product segment is being shaped by a large market response to healthier eating. Startups targeting this trend (such as Three Squirrels) are actively taking market share from large multinational brands.

- *Sweet snacks and snack bars* - are often unhealthy products with high sugar content and in biscuit form. Snacks in a bar format are a lot less prevalent in the category relative to other formats (biscuits, wafers and cookies), accounting for just 0.5% of the total sweet snack category total value in 2017. This is consistent with a current lack of consumer association with healthy eating in this category.

Product Success Factors

Three factors will help ensure the success of products developed for the Chinese health market:

1. Drinking yoghurt is a valuable product category but research indicated little evidence of small companies creating successful consumer products that disrupted successful incumbents. Supplying a high value ingredient to these businesses could gain exposure to this market, without undue risks.

2. Savory snacks have proven examples of successful snack startups who have experienced significant growth due to innovative social media and marketing strategies to develop success in this category. Products in nuts, seeds and trail mixes are especially popular.

3. Success in the sweet snack category will need to **involve educating the consumer** on the health benefits of the snack bar products over existing successful high sugar products such as Oreo biscuits.

SNACK PRODUCT CATEGORY MOVEMENTS IN CHINA

Overview of snack category trends

Yoghurt and sour milk products:

2017 Market Value: NZ$27 billion

2017 - 2022 CAGR: 15.2%

Chinese consumers have rapidly adopted drinking yoghurt into their snack diet. This sub category dominates this sector.

Savoury snacks:

2017 Market Value: NZ$26 billion

2017 - 2022 CAGR: 7.3%

Chinese consumers are large consumers of savoury products such as nuts, and snacks that often struggle in western markets (listed as Other Savoury Snacks).

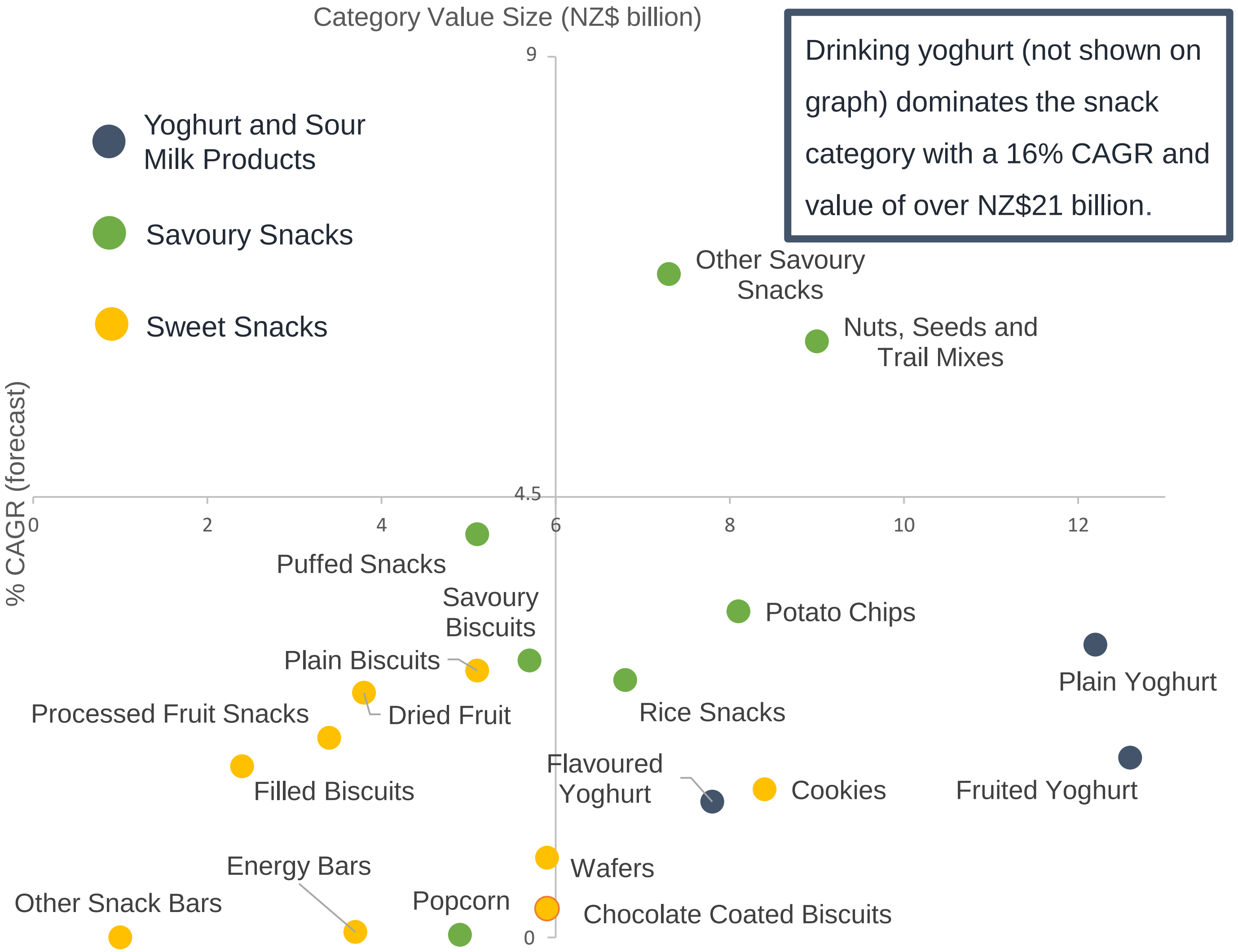
Sweet snacks:

2017 Market Value: NZ$12 billion

2017 - 2022 CAGR: 4.7%

Biscuits are seen as the main snack sub category product of choice. Snack bars are a new product expected to grow at a reasonable rate with a 5 year CAGR of 4%.

Value and future growth rates of selected product sub categories in China



Drinking yoghurt (not shown on graph) dominates the snack category with a 16% CAGR and value of over NZ$21 billion.

COMPANY CONCENTRATION BY CATEGORY IN CHINA

Assessment of company concentration provides context when assessing brands. Many brands in a product category may be controlled by only a few large companies. This may change market entry strategies.

Strong company concentration in yoghurt.
Three companies control over 70% of the retail value. Only 8.5% of retail value belongs to companies outside the top 19. This indicates established companies have competitive advantages such as strong supply chains, large capital supply and good consumer relationships. New companies may struggle to penetrate without a compelling product.

Low concentration in savoury and sweet snacks.
Low company concentration, with even multi national companies with many brands such as PepsiCo having a small market share. The long shelf life of these products mean supply chains can be more flexible. Approximately 69% of market share in the sweet snacks category is held by companies with less than 2.5% market share.

	Company Name	Share of Retail Value
Yoghurt and Sour Milk Products	Inner Mongolia Yili	26%
	Inner Mongolia Mengniu	25%
	Bright Dairy and Food Co	11%
	Others (ex top 19 companies)	**9%**
Savoury Snacks	Want Want Holdings Ltd	8%
	PepsiCo China	6%
	Bestore Food Co Ltd.	6%
	Others (ex top 19 companies)	**54%**
Sweet Snacks	Mondelez China Inc.	9%
	You Yi Jia (Shanghai) Food Trading Co Ltd	5%
	Fujian Dali Food Co Ltd	5%
	Others (ex top 19 companies)	**48%**

BRAND ANALYSIS

Yoghurt and Sour Milk Products

- Value of segment is NZ$27 billion.
- Brand concentration is relatively dispersed between the 20 largest brands (but controlled by only a few companies).
- 16% of products are from brands outside of the top 20.
- Probiotic and prebiotic are dominant health attributes that are advertised.

#1 Ambrosial

- 14.6% brand share yet brand only began in 2014.
- Greek style yoghurt.
- Successful marketing strategy using social influencers.

#2 Mengniu

- 14.3% brand share.
- Mengniu the company formed in 1999.
- Strong drinking yoghurt brand.
- Successful marketing strategy.
- Small drinkable (250ml) serving sizes.

#4 Momchilovtsi

- 9% brand share.
- 20% of Bright Dairy's revenue come from Momchilovtsi drinking yoghurt sales.

Successful, high value brands are largely associated with the drinking yoghurt category with easy to drink cartons to have on the go.

Ambrosial is an example of a new brand achieving strong growth, underpinned by the backing of a large company (Yi Li). Released in 2014, it achieved NZ$220 million in revenue in the same year. This growth was achieved in part by association with the popular TV show “Running Man”. Two of the shows stars are Ambrosial brand ambassadors.

BRAND ANALYSIS

Savoury Snacks

- Value of segment is $NZ26 billion.
- The market is twice as large as sweet snack category.
- Brand concentration is very evenly distributed. Ten brands have market shares between 1-6% with only one having a larger share (Want Want at 7.5%).
- 57% of market share are from brands outside the top 20.

#1 Want Want

- 7.5% brand share.
- Market leader in rice cracker segment.
- Brand established in 2007.
- Strong Chinese focused messaging.

#4 Three Squirrels

- Successful snack start-up (began 2012).
- 4.1% brand share.
- E Commerce sales only.
- Three Squirrel characters have a animated WeChat account for customer interaction.

#3 Lays

- 4.9% brand share.
- Multinational brand yet still has strong Chinese messaging in pack.

The savoury snack market offers many examples of successful brands:

- Small start up brands that have grown successfully (such as Three Squirrels).
- Multinational brands that have adopted messaging to meet local needs while retaining some western branding such as Lays.

A strong focus on Chinese messaging is common among top preforming brands.

Each savoury snack sub category had a similar size. As a result, brand share across the entire savoury snack category is dispersed, as opposed to yoghurt, where drinking yoghurt brands dominate total category brand share.

BRAND ANALYSIS

Sweet Snacks

- Value of segment is $NZ12 billion.
- Strong brands are focused on the products taste.
- No snack bar brands made the top 20 in brand share.
- Brands not in the top 20 control 55% of the market.

#1 Oreo

- 5.7% brand share.
- Large multinational brand – no health focus.
- Mixture of Western and Chinese branding.

#2 Hsu Fu Chi

- 5% brand share.
- In partnership with Nestle (60/40 split).
- De-emphasise Nestle relationship in branding.
- Broad variety of sweet snacks.

4 Haochidian

- 3.5% brand share.
- Chinese messaging in pack.
- Attributes relating to flavour such as “crispy” predominate.

The sweet snack category has a high concentration of brands (and value) in biscuit sub categories. These are often high in sugar.

Many brands were supported with partnerships with large multinational brands which may not show up in company concertation information.

Snack bars are still a relatively new product for Chinese consumers and did register as a top 20 brand by market value in China.

CHINA

Snack Bar Deep Dive

KEY MESSAGES OF DIETARY SNACK BARS IN CHINA

Current Market Snapshot

The current market for diabetic snack bars is relatively limited for two reasons:

1. As highlighted in the previous section, relative to biscuits, snack bars are a new introduction to Chinese consumers and yet to penetrate into eating habits.

2. But broader healthy eating choices are catching up to diabetic awareness.

These two factors indicate consumers are increasingly looking for foods that meet their personal health requirements:

- The strongest requirement here is for sugar free products.
- Specifically ‘diabetic’ products may not meet consumer requirements in terms of brand identity, and may be seen as taking control away from the consumer.

Product Success Factors

Four factors will help ensure the success of products developed for the Chinese nutrition bar market:

1. The most valuable target market is mothers shopping for their families.

2. Currently this consumer segment is most concerned with buying sugar free snack products that their families will enjoy.

3. Brands leveraging off existing customer relationships will find greater acceptance (e.g. Yi Li).

4. Products which are concentrated to broader dietary fads such as quinoa are able to capture reasonably significant value.

PRODUCT OVERVIEW OF DIABETIC SNACK BARS IN CHINA

Snack bar success in China difficult to predict

Snack bars in China have stagnated with a current estimates size of $NZ55 million which is expected to increase to $NZ65 million in 2022.

Product data for the nutrition bar deep dive has been collected from Tmall (a leading Chinese e-commerce platform). For each nutrition bar sold on the platform, a range of data points (price, sales volume, ratings, reviews, images, weight, ingredients) were collected.

Using this product data, comparisons of consumer preferences with pricing, as well as determination of which consumer segments will drive the best marketing return on investment (ROI) were developed.

Summary statistics on nutrition bar data

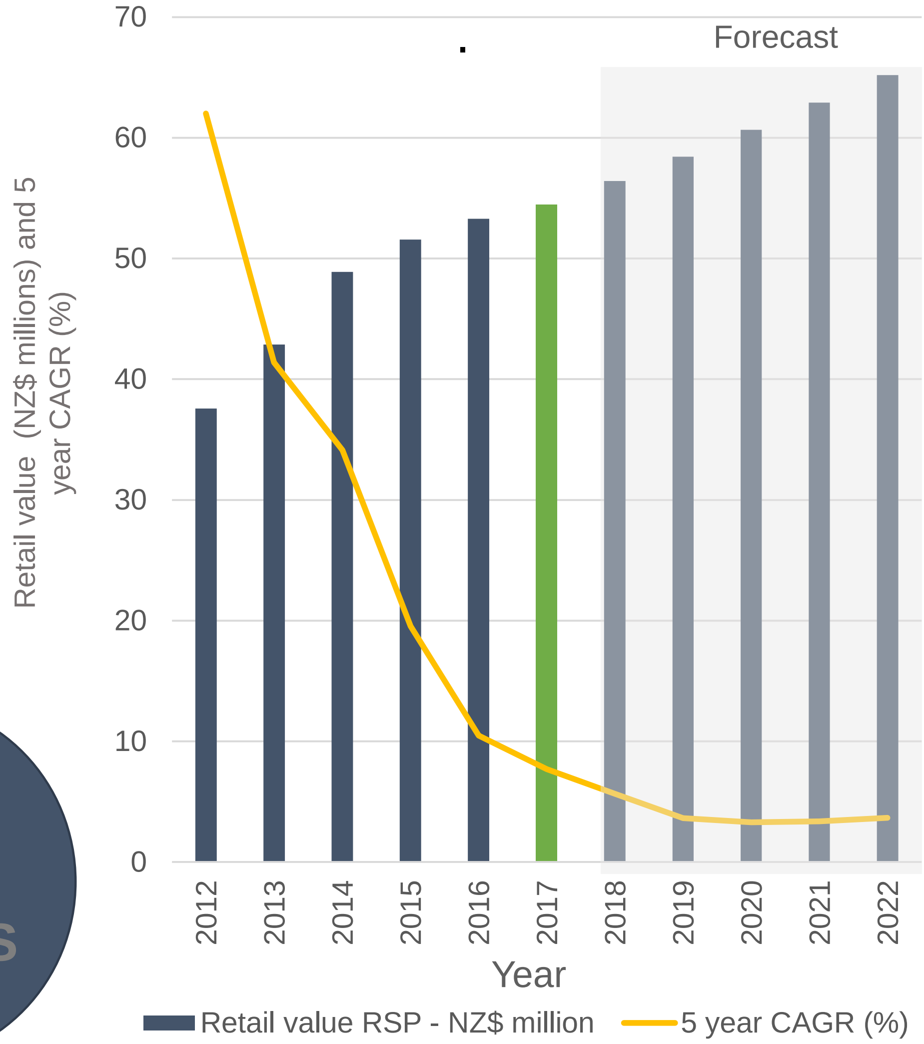
44 PRODUCTS

12,580 SALES

36,168 COMMENTS

75 IMAGES

Retail sales value of snack bars in China



ARTICULATING PRODUCT PERFORMANCE

The Framework

Higher Premium

Lower Ratings

Higher Ratings

Lower Premium

1 Leaders

Products with higher-than-average premiums and ratings. These products currently lead the market.

2 Under-cutters

Products with high ratings, but below-average premiums. These products undercut the leaders, and could reach higher prices

3 Laggers

Products with low ratings and lower premiums. This product segment has much room for disruption

4 Hypers

Products with below average ratings but higher premiums. These products erode customer satisfaction with the category

PRODUCT PERFORMANCE

Sales, pricing and ratings of individual products

The chart shows how individual products are distributed by rating and price. By standardising and comparing price and consumer ratings, the relative performance of individual products or groups of products can be determined.

In this case, grouping products by sales, high-selling items tend to have a lower than average price point, but higher than average ratings. This indicates consumers are more likely to buy products which compete strongly on price.

High performing products are heavily tailored for the Chinese market. The top selling product is based on traditional Chinese oat cake snacks. Three of the top five sellers are health/fitness bars developed by Yili and manufactured from Australian whey protein.

The mid-range and low-sales products tend to be western products which are sold in China without any tailored messaging.

Relative ratings and pricing premiums of individual snack bars at given sales volumes

KEY FINDING: China is a highly price sensitive market.

CONSUMER SEGMENTS

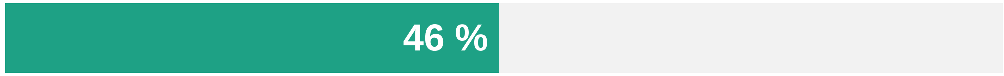
Market share of nutrition bars by target segment

Consumer segments are derived from product marketing data to identify the most likely candidate audience for the product. The consumer segment capturing the majority of value is the mother segment. This group consists of primary caregivers responsible for their families health – including children, partners, and often parents.

For diabetic friendly nutrition bars, the most natural customer segment were mothers. This will often mean that the end consumer is different from the purchaser, and product marketing should be adapted for this. In this case, child health, aged-care, and specific health factors e.g. sugar-free should be emphasised.

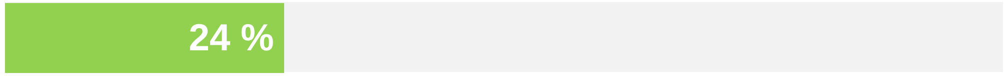
Mothers:

Searching for products for children (and older parents)



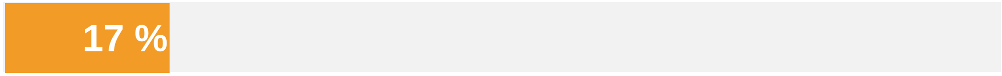
Casual Health:

Searching for products containing healthy ingredients



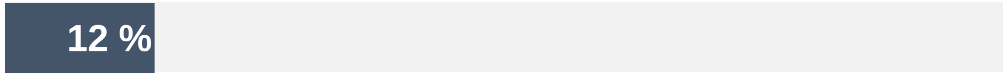
Fitness:

Searching for products to boost physical performance



Weight Loss:

Searching for products to lower calorie intake



DIETARY SEGMENTS

Market share of nutrition bars by diet claims

Dietary segments are based on the main claim provided by each product. Value capture is prominent in products which emphasise being sugar free. Because there are only a few sugar free products available in the sugar free category, these products capture significant value.

There were no products picked up as being specifically diabetic snack bars, though we know such products are imported to China. The mothers segment prefer to keep a high degree of control in choosing what to buy so a specific ‘diabetic’ snack bar may in fact turn off the desired segment.

Sugar Free:

Products containing zero sugar

35 %

Low Fat:

Products with low or no fat content

25 %

Meal Replacement:

Whole or partial replacement for meals (often breakfast)

25 %

Other:

Other dietary claims such as added vitamins

15 %

MAIN INGREDIENTS

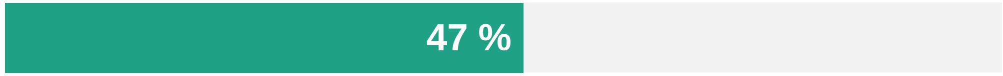
Market share of nutrition bars by main ingredient

Most products emphasise the oat content of their products, and provide marketing to support this. However, products which are connected to wider dietary fads are able to capture reasonably significant value. For example, only 8% of products use quinoa, but collectively they capture 14% of market value.

For a special ingredient to capture additional value, it should be familiar to consumers and be part of a wider trend. Using fruits within the ‘smart foods’ category along with marketing to target the right purchasing segment has potential to extract good value from the market.

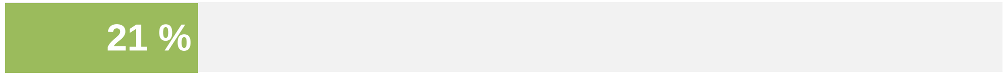
Oats:

Products marketed by their oat or grain content



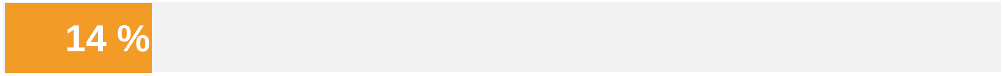
Fruit:

Products with specific fruit content



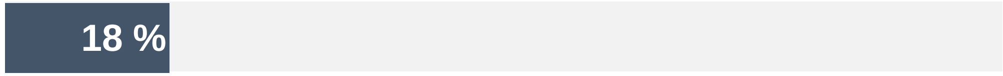
Quinoa:

Products using quinoa as a selling point



Other:

Other ingredient claims such as gluten-free



HIGH VOLUME PRODUCT EXAMPLES

Oat Cakes

Sales Figures	
Price:	NZ$6.40
Rating:	4.8
Monthly Sales:	5,000
Total Reviews:	87,000

Target Market: Mothers (women aged 25-50)

Oat Cakes are the highest selling item in the nutrition bar category. Among the comments for this product, a large number of consumers state that these are purchased for diabetic family members.

Product images

Minimal Fruit.

Square Shape.

Marketing images

Chinese (Non Western labeling).

HIGH VOLUME PRODUCT EXAMPLES

Yi Li Oat Bars

Sales Figures	
Price:	NZ$6.95
Rating:	4.9
Monthly Sales:	2,000
Total Reviews:	7,500

Target Market: Fitness (women aged 18-35)

Yi Li Oat Bars are a nutritional bar manufactured by YiLi with Australian whey protein. The product is targeted at younger female consumers as a meal replacement to aid with reaching fitness goals.

Product images

Health imagery similar to pharmaceutical products.

Rectangle Shape with slim container.

Marketing images

Chinese (Non Western labeling).

Marketing of exercise reflects active packaging to keep consistency in brand.

HIGH VOLUME PRODUCT EXAMPLES

SOYJOY Snack Bars

Sales Figures	
Price:	NZ$13.20
Rating:	4.9
Monthly Sales:	1,000
Total Reviews:	5,000

Target Market: Mothers

SOYJOY bars are marketed as a snack for children. The product does not make specific health claims, but offers a wide variety of fruit flavours. The product is perceived a relatively healthy compared to other snacks, and they are well positioned as an easy choice for parents looking for snack options for their children.

Product images

Fruit association by image.

Colorful images.

Marketing images

Chinese (Non Western labeling).:

HIGH VOLUME PRODUCT EXAMPLES

DGI Energy Bar

Sales Figures	
Price:	NZ$8.70
Rating:	4.8
Monthly Sales:	2,000
Total Reviews:	1,300

Target Market: Fitness and weight loss

DGI Energy bars are sold as a meal replacement option for consumers seeking to lose weight and/or improve fitness. The products and packaging emphasise simplicity. The product targets consumers who wish to be fastidious about what they eat.

Product images

Simple, pharmacy like imaging.

Marketing images

Fruit and milk comparisons of product to natural ingredients.

Chinese (Non Western labeling).

LOW VOLUME PRODUCT EXAMPLES

Nature Valley

Sales Figures	
Price:	NZ$5.76
Rating:	4.8
Monthly Sales:	400
Total Reviews:	1,000

Target Market: Casual health

Nature Valley is a subsidiary of General Mills which manufactures protein in and granola bars for markets worldwide. Their approach to marketing has been to retain western packaging and only translate some of their marketing into Chinese.

Product images

Typical western branding on product.

Marketing images

Chinese branding for some marketing material.

Lack of Chinese symbols, reliant on western labeling.

LOW VOLUME PRODUCT EXAMPLES

Harlem Bar

Sales Figures	
Price:	NZ$13.00
Rating:	4.6
Monthly Sales:	200
Total Reviews:	500

Target Market: Mothers

These unique-looking bars are marketed heavily towards mothers and children. They have one of the highest price points, but despite having a very attractive product and brand, consumer reviews show the product underperforms relative to competitors. This is due to the taste and texture of the product. A number of reviews say the product is too chewy.

Product images

Marketing images

Universal symbols on pack.

Animation

Highlighting Natural Ingredients.

Chinese focused branding.

LOW VOLUME PRODUCT EXAMPLES

Mother Earth

Sales Figures	
Price:	NZ$5.83
Rating:	4.8
Monthly Sales:	150
Total Reviews:	500

Target Market: Casual Health

Mother Earth bars are produced in New Zealand and target health-conscious consumers without providing any specific health claims. This product is sold in China without customized packaging (only marketing material; is Chinese), and the company is trying to build their brand presence across several product lines including Manuka honey.

Product images

Western branding on product.

Images of product with fruit displays positive association.

Marketing images

Chinese focused branding on marketing material.

SINGAPORE

Broad Product Overview

KEY MESSAGES FROM SNACK PRODUCTS IN SINGAPORE

Current Market Snapshot

Three broad snack products were assessed; Savory Snacks, Sweet Snacks, and Yoghurt and Sour Milk Products.

As with China, drinking yoghurt is the predominant sub category by value, with two drinking yoghurt brands (Yakult and Vitagen) controlling over 60% of the total yoghurt brand share.

The sweet snack category is largely sweet biscuits, which make up 90% of the NZ$205 million value of the category. Snack bars are values at NZ$13.6 million in value with a 5.7% future CAGR.

The savory snack category is the largest segment with a value of NZ$245 million. It is highly fragmented, with many sub products such as vegetable chips, potato chips and savory biscuits.

The ruling political party have a high level of trust by its citizens. One of their recent measures to promote healthier food choices is the Healthier Choices Symbol (HCS).

Product Success Factors

There are four success factors relating to developing products that could achieve success in this market.

1. Drinking yoghurt (particularly with probiotic, prebiotic and low sugar attributes) is a valuable yet highly concentrated category with a strong health focus. Targeting companies with a business to business (B2B) product that could add value to their existing products such as a novel food ingredient could be a cost effective solution to gain access to this segment.

2. Both savory and sweet biscuits are popular. Creating a product that is in biscuit format could access this large consumer market.

3. Snack bars have a reasonable market and strong predicated future growth rate. Creating a low GI product in this category so that it can obtain a HCS would be a unique value differentiator and establish credibility for a new product.

4. Western products sell well without large branding changes.

SNACK PRODUCT CATEGORY MOVEMENTS IN SINGAPORE

Overview of snack category trends

Yoghurt and Sour Milk Products:

2017 Market Value: NZ$135 million

2017-2022 CAGR: 5.0%

Drinking (epically non chilled) yoghurt with probiotic and prebiotic properties preform well in this category.

Savoury Snacks:

2017 Market Value: NZ$245 million

2017-2022 CAGR: 5.8%

Singaporean consumers are large consumers of savoury products such as nuts and savoury biscuits.

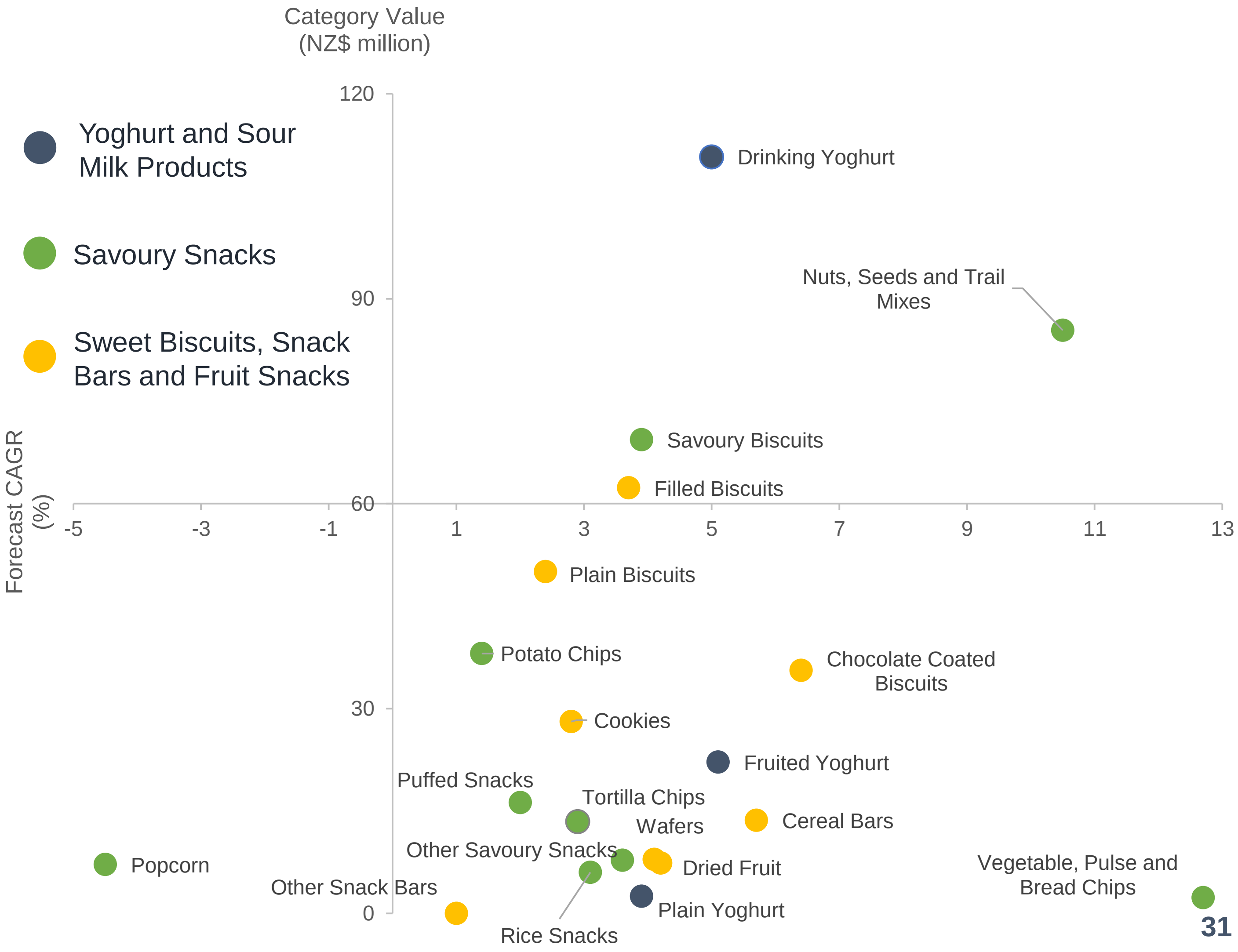
Sweet Snacks:

2017 Market Value: NZ$204 million

2017-2022 CAGR: 3.9%

A greater mix of diets and cultures in Singapore than China explains the greater emphasis on sweet snacks. Biscuits dominate total value, however cereal bars are expected to have the 2nd fastest forecast growth rate (4th overall).

Category value and future growth rates of selected product categories in Singapore



THE HEALTHIER CHOICE SYMBOL

Singaporean Government responds to health concerns

The Government of Singapore, concerned about a population that was displaying increasing poor health indicators such as diabetes and obesity, commissioned the Singapore Health Promotion to develop strong initiatives to help prevent the worsening of these health conditions.

The Healthier Choice label was developed in 2001 to address the issue of having to make multiple healthy choices in a grocery store when shopping. The Healthier Choice Symbol on packaged foods provides consumers with an easy way for consumers to tell which food products in a category are better for their diets than others.

The Healthier Choice Symbol (HCS) at a glance:

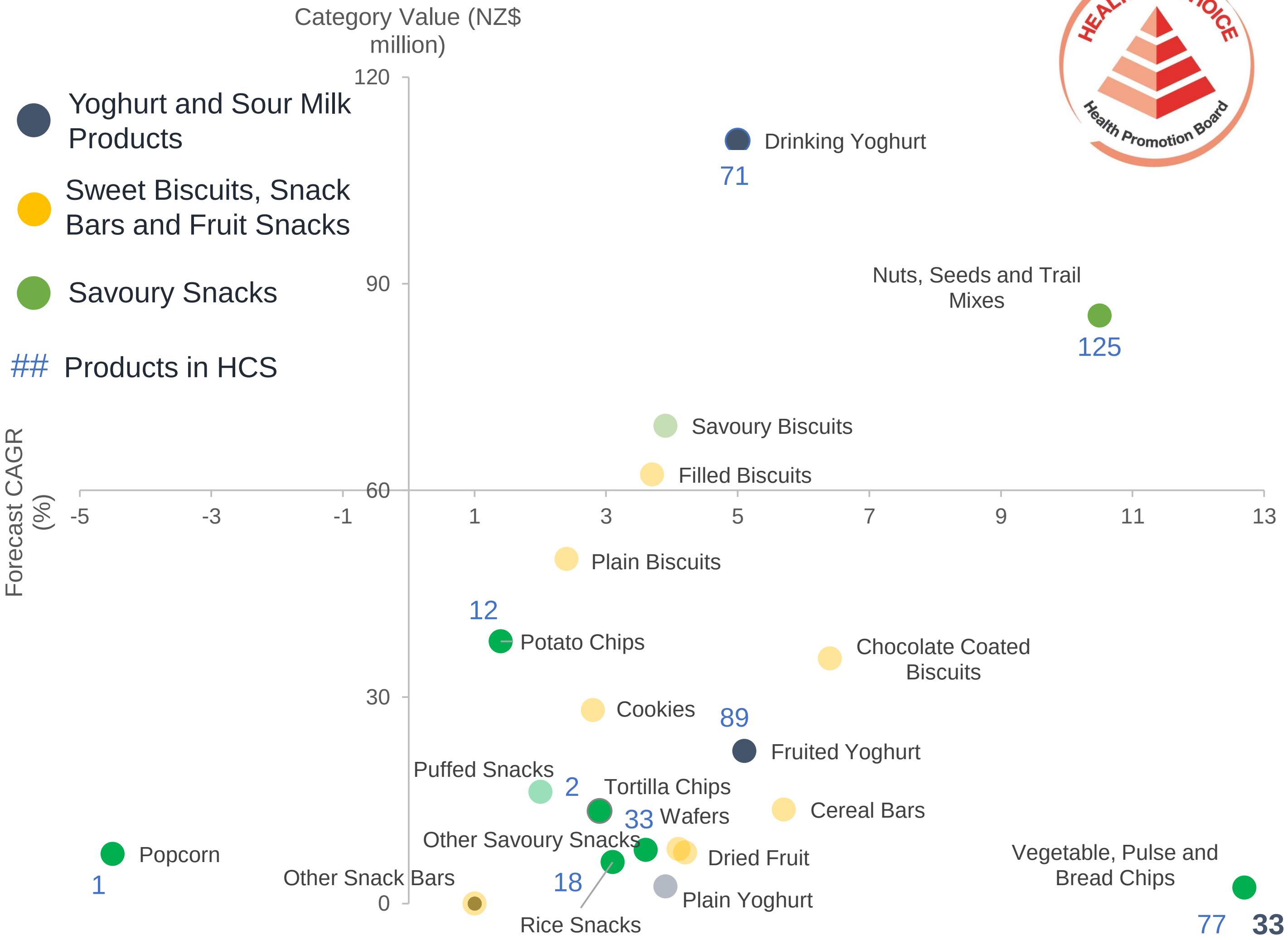
- Released in 2001 with just 300 products.
- Over 3000 products as of 2017.
- There are ten sub categories that can be used for special macronutrient endorsement (see page 69 of the appendices for more information).
- Maximum of two HCS categories can be used per product.
- There is a low GI snack bar endorsement (see page 70 of appendices for more information)

HCS IN DIFFERENT PRODUCT CATEGORIES

Healthier choice product trends

- Most high preforming drinking yoghurts (in terms of sales and brand share) are also HCS brands.
- The relative ease of packaged nuts to become a HCS product explains the large concentration of those products in that category.
- No sweet snacks or cereal bars are currently use the HCS.
- There are very few HCS brands which carry the Low GI category label. These are largely specialty bread products.

Category value and future growth rates of selected product categories in Singapore with healthier choice symbol products



COMPANY CONCENTRATION IN SINGAPORE

Assessment of company concentration provides context when assessing brands. Many brands in a product category may be controlled by a few large companies. This may impact and change market entry strategies.

Strong company concentration in yoghurt.
Two companies control over 70% of the retail value in Singapore. Yakult is a speciality drinking yoghurt company which has achieved great success in Singapore. Malaysia Dairy Industries stock a wide variety of dairy products under the Marigold brand to achieve scale. Only 10% of retail value belongs to companies outside the top 9. This may indicate a lack of success (or lack of disruption) from new players against incumbents.

Multinationals and basic brand companies are apparent in the savoury snack brand categories.

Sweet snacks have the lowest rates of company concentration out of the three snack categories.

Category	Company Name	Share of Retail Value
Yoghurt and Sour Milk Products	Yakult (S) Pte Ltd	46%
	Malaysia Dairy Industries Pte Ltd	28%
	F&N Foods (S) Pte Ltd	4%
	Others (ex top 9 companies)	**10%**
Savoury Snacks	Seng Hua Hng Foodstuffs Pte Ltd	22%
	Kraft Foods (S) Pte Ltd	17%
	PepsiCo International Pte Ltd	8%
	Others (ex top 19 companies)	**16%**
Sweet Biscuits, Snack Bars, Fruit Snacks	Khong Guan Biscuit Factory Pte Ltd	21%
	Campbell Soup Asia Ltd	5%
	Glico Dairy Products Co Ltd	5%
	Other (ex top 18 companies)	**18%**

BRAND ANALYSIS

Yoghurt and Sour Milk Products

- Category value: NZ$135 million. All top products include the HCS label.
- Three brands make up over 74% of yoghurt products sold by value.
- Only 10% of products are from brands outside of the top 10.
- Drinking yoghurt makes up $NZ107 million with a forecast CAGR of 5%.
- Probiotic and prebiotic are the key attributes markets for this segment.

#1 Yakult

- 45.7% brand share.
- Drinking yoghurt speciality.
- HCL brand with prebiotic and probiotic focus.
- Sells in 5 x 125ml bottles (1 per workday).

#2 Vitagen

- 14.5% brand share.
- Probiotic focus.
- Colourful, exciting packaging.
- Sells in 5 x 125ml bottles (1 per workday).
- English labelling.

#3 Marigold

- 13.6% brand share.
- General yoghurt producer.
- Various product formats.

Yakult and Vitagen are the dominant players in Singapore's drinking yoghurt market. Both focus on the probiotic (contains strains of good bacteria) and prebiotic (contains food sources for the good bacteria) properties of their product which has resonated well with consumers while Marigold focuses on offering a wide variety of yoghurt flavours and formats to achieve scale.

BRAND ANALYSIS

Savoury Snacks

- Total value is $NZ246 million.
- Many and varied product sub categories, brands and companies with no dominant players in each.
- 25% of products are from brands outside of the top 10.
- Three main categories are nuts seeds and trail mixes (35%), potato chips (15%) and savoury biscuits (28%).

Large Scale Brands

Most brands achieving high sales outside of the nut sub category are often western, with minimal adjustment of packaging to suit the local market.

#4 Pringles

- 7.7% brand share.
- Potato chip focus.
- Tall containers.
- Wide variety of flavours that are often non western.
- Largely western branding.

#2 Jacobs

- 7% brand share.
- Western labelling.
- Large packet serving size common.

Healthier Choice Symbol Brands

There are many savoury brands in the healthier choice label but none appear to be successful in becoming a top brand in the savoury snack category by value.

- Rice snacks and chips based of vegetables rather than potatoes are prominent.
- Packaging formats are often less than 55g (with a high concertation of products between 15 – 40g) most likely to control serving sizes.

HEALTHIER CHOICE
Health Promotion Board

BRAND ANALYSIS

Sweet Biscuits, Snack Bars, Fruit Snacks

- Category value of $NZ205 million.
- No overlap of successful brands by value and HCS label.
- Other than Khong Guan (21% brand share) and Oreo (9.6% brand share) all companies have less than 5% brand share.
- Companies outside the top 19 brands have over 23% of the brand share of this category.

Kong Guan

- 20.6% brand share.
- Large biscuit brand.
- 200g packages common.

Uncle Toby's

- 2.1% brand share.
- Largest brand share for bar format.
- Box with 6 bars (185g total).
- Western labelling.

Hello Panda

- 1.9% brand share.
- Filled biscuits with sweet snacks.
- Tail cartons 200-400g.

Sweet biscuits dominate the market with over 90% of the total category value. Within the sweet biscuits, snack bars and fruit snacks categories.

However snack bars, with a value of $NZ13.6 million is expected to have the greatest future CAGR of 5.7%.

Western and English branding is prevalent in this market due as most of the population is bilingual with English and one other language such as Mandarin or Malay.

SINGAPORE

Snack Bar Deep Dive

DIETARY SNACK BARS IN SINGAPORE: KEY MESSAGES

Current Market Snapshot

The current market for diabetic snack bars is relatively limited for two reasons:

1. There is a lack of awareness of snack bars being a product that can help prevent diabetes. (There is no Healthier Choice Symbol (HCS) branding on snack bars in Singapore, despite having a low GI snack bar HCS available).

2. Healthy eating choices are catching up to diabetic awareness.

Because of these two factors, education of the consumer in Singapore will be required to demonstrate that a snack bar is a healthy choice just like other “healthy snacks” such as drinking yoghurt.

Product Success Factors

Four factors will help ensure the success of products developed for the Singapore nutrition bar market:

1. The product should appeal to mothers and caregivers between 25 - 60 who will be the ones most likely purchasing the products for their families.

2. The product should have modern simple packaging to achieve a premium price.

3. The health attributes of the products could be used as a product differentiator, but do not expect this component to translate into a higher price.

4. Education of the consumer about the health benefits of choosing this snack bar. This could be achieved with the use of the Healthier Choice Symbol.

PRODUCT OVERVIEW OF NUTRITION BARS IN SINGAPORE

Market for snack bars shows Western influence.

Snack bars in Singapore indicate a growing market with a current estimates size of NZ$13.6 million which is expected to increase to NZ$18 million in 2022.

Product Data for the nutrition bar deep dive has been collected from Tmall (a leading Chinese e-commerce platform). For each nutrition bar sold on the platform, a range of data points such as price, sales volume, ratings, reviews, images, weight, ingredients were collected when available.

Using the product data collected we are able to compare consumer preferences with pricing, as well as determine which consumer segments will drive the best marketing return on investment (ROI).

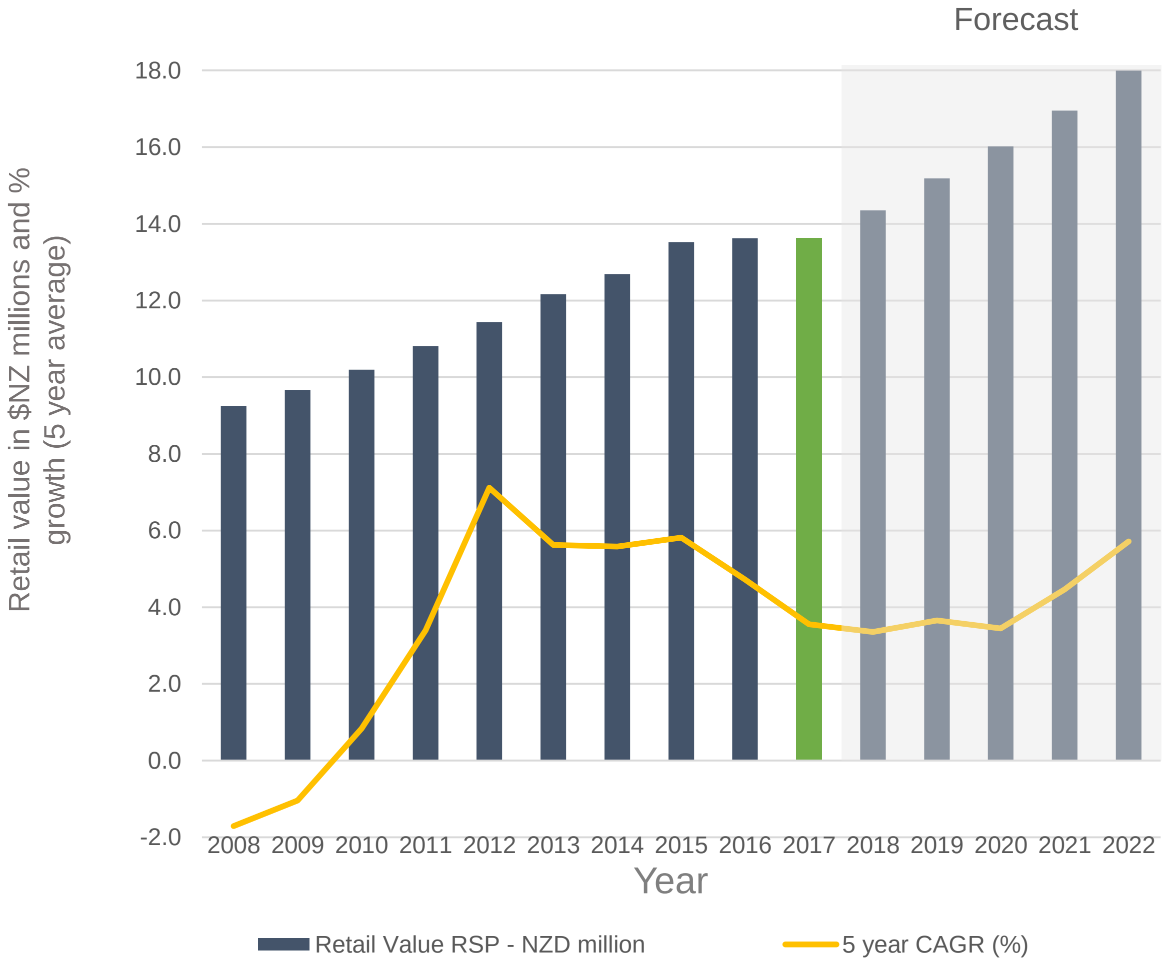
Summary Statistics on Nutrition Bar Data

21 PRODUCTS

2000 COMMENTS

60 IMAGES

Retail sales value of snack bars in Singapore



PRODUCT PERFORMANCE

Ratings of individual products

The chart shows how individual products are distributed by rating and price. By comparing price and ratings relative performance of individual products or groups of products can be determined.

For Singapore we see a range of products which are marketed as specifically for diabetic consumers (or consumers with low GI requirements). These products are all 'Western' products, sold in Singapore without any localisation or customisation for Singaporean consumers.

In general, products marketed for diabetic consumers (shown in orange) do not perform significantly differently than other products. In general they do not achieve a price premium, and consumers are relatively price sensitive.

Products which do achieve premium are notably more modern in the design and layout of packaging. These products are also more pro-active about providing product data such as calories and sugar content to prospective consumers.

Relative ratings and premiums of low GI products compared other products.

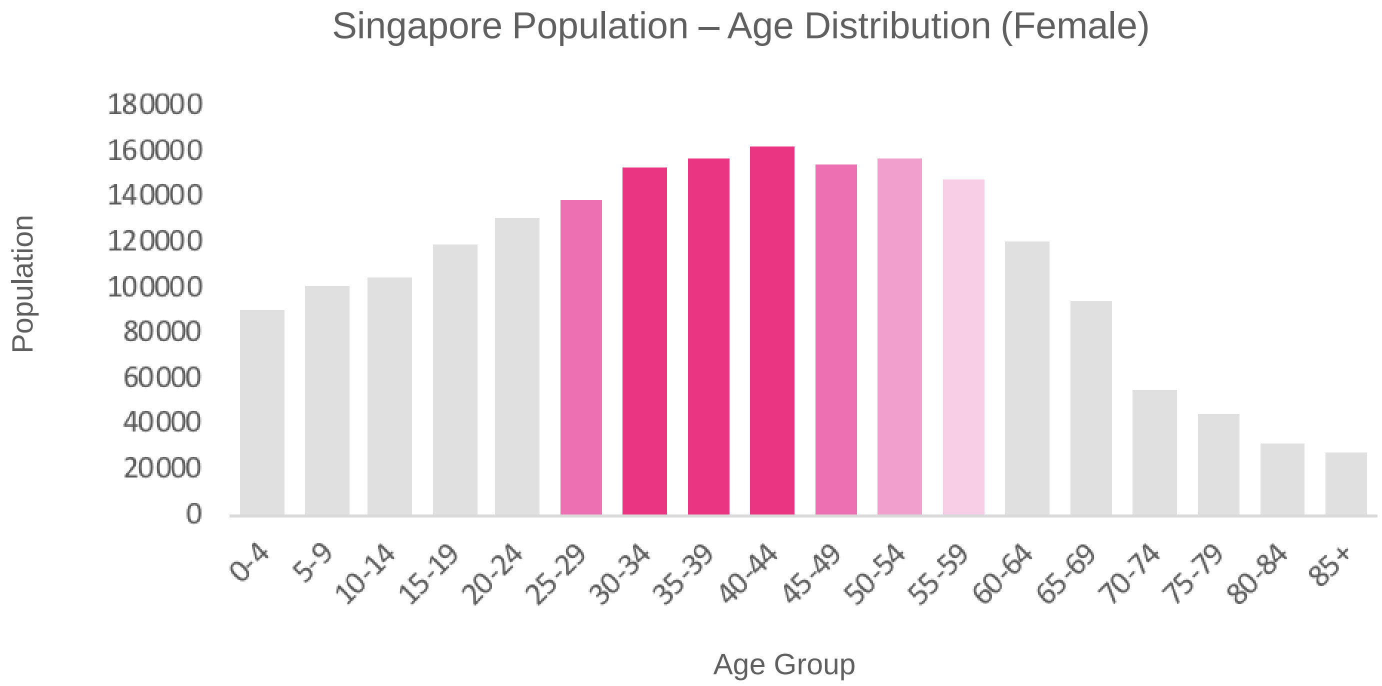
KEY FINDING: Consumers are most likely to buy products which compete strongly on price.

CONSUMER SEGMENTS

Market share of nutrition bars by target segment

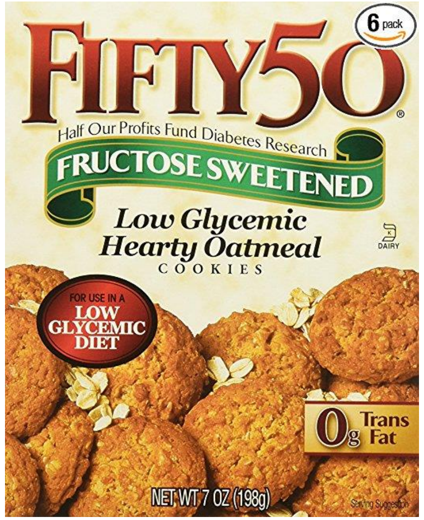
There was very limited data available for Singaporean products. This stems from the fact that the majority of snack bar products available in Singapore are Western products for which the suppliers are not heavily invested in providing detailed information to consumers.

Based on the product mix and some additional demographic data, it is most likely that the consumer segments that will be most receptive to snack bar marketing are mothers who are doing the shopping for their families. The key population is females between the ages of 25 and 60 (shown in the chart below)



PRODUCT COMPARISION

Older Product



- Packaging repeats information.
- Low-value data is presented (0% trans fat).
- Design is cluttered.

Newer Product

- Packaging presents detailed and relevant data.
- Key ingredients are used as imagery.
- Design is very simple/clean.

Analysis

- Packaging of products in Singapore have evolved over time.
- In the 1990's packaging was cluttered, often in an attempt to convey many messages rather than key ones.
- In recent times there has been a move to a more minimalistic design where key product attributes are clearly and easily defined in nutrition bars.

PRODUCT COMPARISION

Low GI products

- Emphasizes chocolate and snack attributes.
- Simple product data displayed prominently.
- Clear image of actual product.

- Detailed product data displayed prominently.
- Simple package design with image of product.
- Brand identity is tied to Low GI nutrition.

Analysis

- Minimalist and modern designs are also relevant in Low GI products.
- Products achieving a high price premium are simple in design with key product attributes displayed in an easy to read way.
- Colours are simple and uncluttered designed with an almost pharmaceutical look.

Marketing Healthy Products

Novel ingredients and receptive health claims

KEY MESSAGES FOR MARKETING STRATEGIES

Product Success Factors

1. Claims that resonate well with parents are organic, Genetically Modified Organisms (GMO) free and low additives and preservatives.

2. Creating a brand and marketing material that resonates well and is enticing to children such as Three Squirrels, with product attributes that also appeal to mothers could create a strong value proposition.

3. Any use of novel food ingredients will need to be combined with resources to educate the consumer on the benefits of that product.

Current Marketing Trends

Strategic product placement of large snack products such as drinking yoghurt in Asian reality TV series has contributed to strong sales success.

Novel food ingredients are present globally with a large concentration of these products in the immunity boosting category. They are niche products and most commonly found in drinking formats such as tea and coffee or in vitamin supplements.

Startup companies that have achieved strong success in the savory snack category such as three squirrels have built a high value brand that resonates strongly with a targeted demographics.

Claims are resonating well with consumers around weight management, low sugar and labels of probiotic and prebiotic which are associated with good gut health.

RESONATING HEALTHY CLAIMS WITH MOTHERS

New product categories promoting various health claims

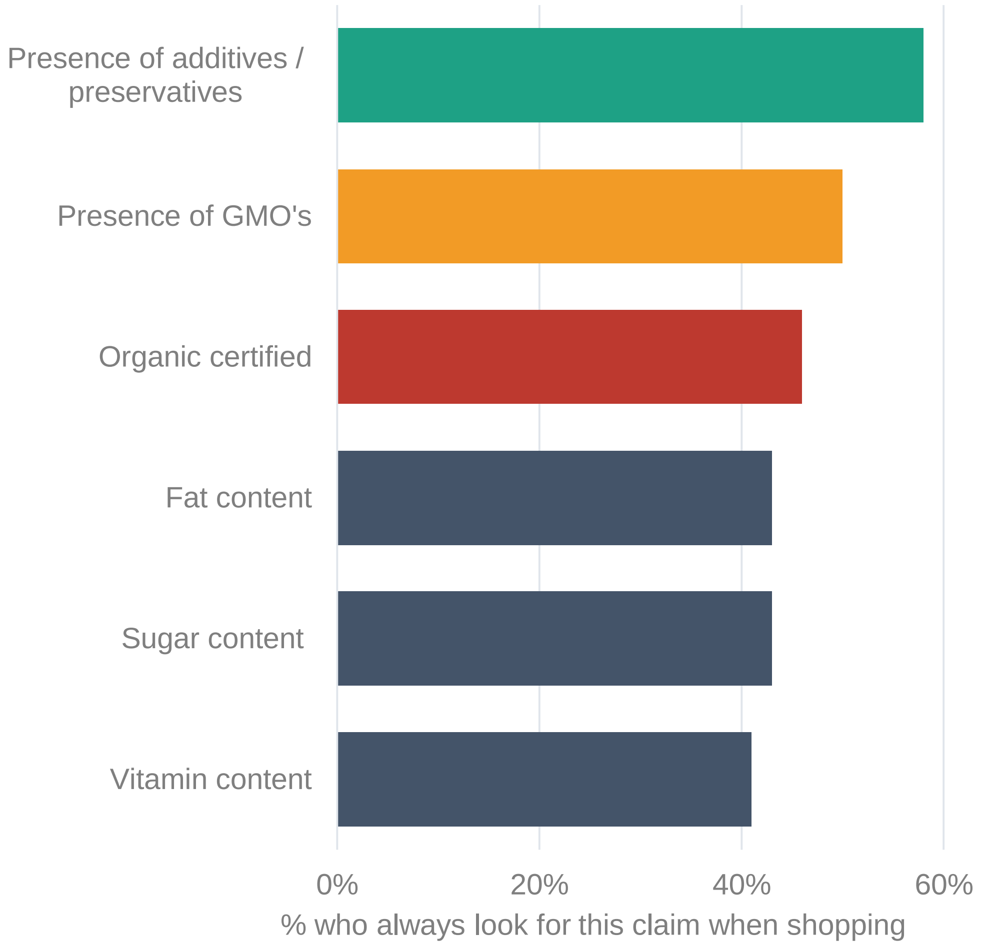
GMO and preservative cautions resonate with parents.

- The presence of additives and preservatives, GMOs and if it is organic are top considerations for consumers with children.
- Targeting these claims, as well as low sugar attributes should resonate well with a target market of mothers shopping for children.

Weight management and digestive health are key attributes.

- China accounted for 9% and 12% of global prebiotic and probiotic launches from 2012-2015.
- Weight management claims tend to be in drink format largely meal replacements.
- 21% of global product launches with a weight management claim between August 2014 – 2016 were Snack/Cereal/Energy Bars.
- Digestive health claims are largely in dairy and tea products.
- Immune is same as above large claims associated with supplements.

Health Concerns of Chinese Parent Consumers (May, 2017)



Source: MPI, Mintel 2018

START UP SUCESS: THREE SQUIRRELS

Company Overview:

Three Squirrels is now a large nut and seed retailer. It was incorporated in 2012 as a small start-up with just four employees and since as seen extraordinary sales growth due to a focused customer market and strong focus on e-commerce retailing.

In 2015, the company made US$370 million in sales and in 2017 it was the top selling snack brand on TMall, China's online retailing platform and become the only FMCG brand to gross over US$1.5 billion in total sales on Tmall. It aims to be a $US1.5 billion brand by 2021.

Key Attributes of Success:

- Have managed to turn the commodity of nuts into a high value youth brand.
- Have developed Three Squirrel characters which consumers can follow on various social media platforms such as WeChat (a TV series is currently being developed)
- Employees get a squirrel related nickname when beginning work.
- Customer service employees play the role of pet squirrels and often using titles such as Squirrel 8 instead of their real names.
- Strong brand focus that targets a singular market extremely well (teenagers) with additional products such as T-Shirts, Waste Bags, and Credit Card Holders.

MARKETING EXAMPLE: SOCIAL INFLUENCERS

It is common for China to use celebrities and social influencers to market their products. Here are two successful examples with drinking yoghurt.

Game show product placement a success

Keep running, previously knows as Running Man is a Korean game / reality show with a fixed cast which continues over several seasons. Ambrosial yoghurt products feature on the show and have brand ambassadors from the well known cast. The show was so popular that the Chinese version (Hurry Up) became the number one reality show in China in 2016. This marketing strategy helped grow sales of Ambrosial products from NZ$220 million in 2014 (when the product was released) to over NZ$1.6 billion in 2016

Special milk for China's astronauts

Mengniu sponsors China’s space programme. Upon the successful launch of two spacecraft's Mengniu came out with an advertising campaign focused around ‘special milk for Chinas astronauts’.

The idea for this campaign was associate the high levels of intelligence and fitness required to be an astronaut with Mengniu products.

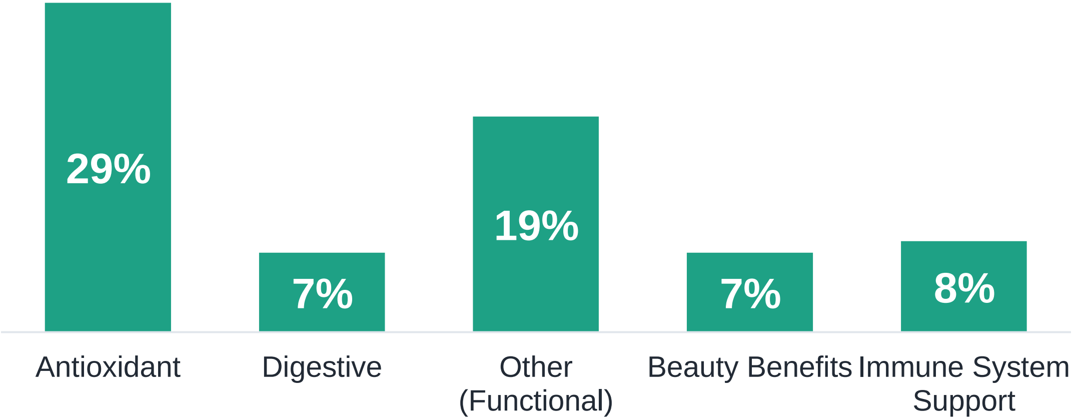
NOVEL FOOD INGREDIENTS

Immunity product categories display a high concentration of novel food ingredients, specifically relating to immunity boosting properties. The following slides outline examples of these ingredients which could be applied to promoting the functionality's of the Kawakawa plant.

Camu Camu Berry

Camu Camu berry is still a niche product ingredient in terms of new launches that contain the product. Camu Camu berry has shown high antioxidant activity and can be utilised against pathogenic bacteria responsible for human infections diseases. Consumer education will be required to translate Camu Camu berry benefits to the consumer.

Top 5 functional claims in food and drink and supplement launches containing Camu Camu berry (%), global, (2012 – 2015)

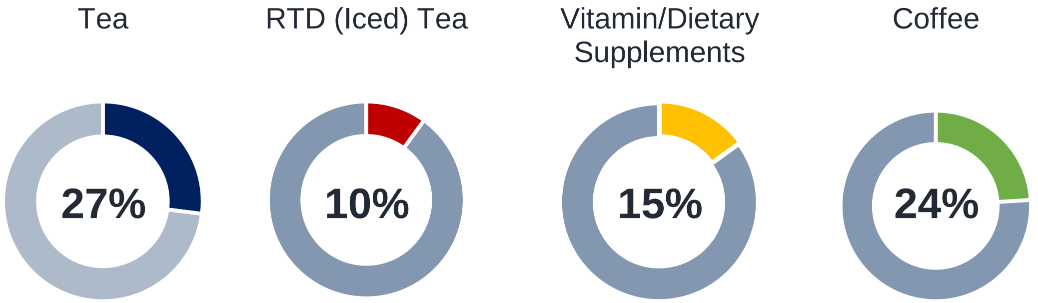


Source: MPI, Mintel 2018

Chaga Mushroom Extract

Chaga mushrooms contain high levels of Beta glucan which is also found in mushrooms, yeasts, seaweed and algae. This can activate the immune system and help to fight several immune related illnesses. Consumer interest in functional tea / coffee is driving the opportunity for manufacturers to develop products.

Top 5 Global Sub Categories in food, drink and supplement product launces containing Chaga mushroom (2012 -2016)



Source: MPI, Mintel 2018

Distribution

DISTRIBUTION: KEY MESSAGES

Singapore

Singapore distribution channels are few, yet have strong connections to the main Singapore bricks and mortar retailers. Each one analyzed offers vary levels of scale and assistance with each product it distributes. We recommend New Zealand firms make contact with these distributors directly or with the assistance of New Zealand Trade and Enterprise (contacts listed in appendices) to identify the best distributor for their needs.

Further detailed information on Singapore distribution including website links and contact information can be found on pages 71 and 72 of the appendices.

China

We have identified six distributors that could be of use to New Zealand firms. Three are New Zealand based and would be a better fit as the company establishes itself with three large online distributors (one of which has over 2000 bricks and mortar stores) identified as the product gains scale and brand recognition.

Two New Zealand brands use these large distributors (Killinchy Ice Cream and Comvita Honey). Their contact details are provided in the appendices.

Further detailed information on Singapore distribution including website links and contact information can be found on pages 73 and 74 of the appendices.

DISTRUBUTION OPTIONS: SINGAPORE

	JBR Singapore	Ban Choon Marketing Pte Ltd	Gan Teck Kar Investments Pte Ltd
Overview	Imports quality goods from brands around the world, at a competitive price. The company imports and distributors food and non-food branded products.	Distributes fresh fruit, vegetables, and health supplements. Is actively seeking new product categories to leverage its established distribution network.	Sources and distributes premium and organic foods from all over the world. They aim to provide a comprehensive range of premium quality, and wholesome products to its customers.
Distribution channels	Distributes Fast Moving Consumer Goods (FMCG), snack products and multinational brands to wholesalers, supermarkets, and caterers	Distributes FMCG, snack products and multinational brands to wholesalers, supermarkets, and caterers	Distributes FMCG, snack products and multinational brands to wholesalers, supermarkets, and caterers
China	Yes	No	No
Singapore	Yes	Mixed	Yes
High value services	Not apparent	Not apparent	Yes

DISTRUBUTION OPTIONS: SINGAPORE

	Lim Siang Huat (Great F&B Brands Since 1940)	WALSON FOOD DISTRIBUTOR PTE LTD	CORLISON
Overview	Distributes consumer goods of large multinational corporations.. Their network places international products are able to reach its designated quickly and efficiently.	Distributes a wide array of confectionery and food products to diverse business units.	No food products but has very high value brand managements service which may be of use.
Distribution channels	Distributes FMCG, snack products and multinational brands to wholesalers, supermarkets, and caterers.	Distributes FMCG, snack products and multinational brands to wholesalers, supermarkets, and caterers.	Distributes FMCG, snack products and multinational brands to wholesalers, supermarkets, and caterers.
China	Yes	No	No
Singapore	Yes	Yes	Yes
High value services	Not apparent	Not apparent	Yes

DISTRUBUTION OPTIONS: CHINA

	dbox 聚优乐购	Fresha Export	NEW ZEALAND POST GROUP
Overview	Auckland based D Box exports a variety of high value NZ made health and beauty products. Plant to have bricks and mortar stores in China where consumers can sample products to the purchase online to get around novel food ingredient restrictions.	Predominantly pacific island distribution however 30% of revenue is now from China and Thailand. Have knowledge in distribution of all types of products and has access to may retailers in the pacific area.	NZ post have a Tmall Global Web Store site in Tmall Global called Xinxilan or “Gifts from New Zealand”. It is managed by NZ post and New Zealand companies can share the often high listing membership and hosting costs associated with entering this market.
Distribution channels	Online distribution via their website www.dbox.co.nz	Distributes FMCG, snack products and national brands to wholesalers, supermarkets, and caterers.	Distributes many products via Tmall global webstore: xinxilan.tmall.hk
China	Yes – E Commerce	Yes	Yes – E Commerce
Singapore	Not Apparent	Not Apparent	Yes
High value services	Not Apparent	Not Apparent	Yes

DISTRUBUTION OPTIONS: CHINA

	天猫国际 TMALL GLOBAL	SF 顺丰优选 sfbest.com	网易考拉海购 KAOLA.COM
Overview	57% of E Commerce (B2C) E commerce in China. Cross border Ecommerce options are available however the brand needs to achieving significant sales volumes in order to justify the cost and restriction of listing the product.	Sells a variety of cross boarder food ad beverage products. New Zealand brand Killinchy Gold Ice Cream sells on this channel.	High value, overseas, cross boarder products that appeal to middle age middle class citizens. The site has 30 million registered users (including Comvita).
Distribution channels	Online sales and distribution via Tmall.com	Distributes and sells FMCG, snack and drink products via E-commerce platform with 20 million registered users and 2,000 physical stores.	E commerce only. Main products are baby formula packaged foods and nutrition products. Koala will assist with marketing if it is the exclusive distributor for China.
China	Yes – E Commerce	Yes	Yes – E Commerce
Singapore	Yes	No	Yes
High value services	No	Not Apparent	Yes

Appendices

USEFUL LINKS

Name	Topic	Description
Export Hub	Export / Distribution	Provide services in establishing export products for sale overseas.
Healthier Choice	Product Development Opportunities	Funding opportunities to develop healthy food ingredients in Singapore.
Export UK	Distribution	Interactive website outlining different e ecommerce distribution channels by product and county.
Killinchy Gold Ice Cream	Networking	Sells products on SF best into China.
Comvita Honey	Networking	Sells products on Koala into China.
Healthier Choice	Resource	Document outlining all requirements to obtain a healthier choice label for differing product categories.

HEALTHIER CHOICE SYMBOL: POSSIBLE CATEGORIES

Unique category name

The are 10 possible category names that can be associated with the Healthier Choice Label.

Each category name reflects a different component of healthier eating habits that the Government of Singapore would like to influence.

Unique Category Name	Product requirements to qualify for logo.	Food types carry this logo.
High in Whole –Grains	Contains whole – grain compared to similar products form the same food category.	Whole grain breakfast cereals, breads, pastas and cereal beverages and brown rice.
Higher in Calcium	At least 25% more calcium than similar products.	Milk and milk products and fortified soy products.
No Added Sodium	No added sodium chloride, sodium compounds or any ingredient contain the above compounds.	Dried fruit and herbs and spices.
No added sugar	No added sugars or ingredients with added sugar, honey or malt extract.	Dried, frozen and chilled fruit. Fruit and vegetable juices.
Low in Sugar	Contains 25% less sugar than compared to similar products.	Asian drinks, sweetened drinks, cultured milk products, juice drinks and dried fruit.
Lower in sodium	Contains 25% less sodium than compared to similar products.	Sauces, recipe mixes, processed meats and seafood, canned meats and seafood, legumes, nuts, seeds.
Low in saturated fat	Contains 25% less saturated fat than compared to similar products.	Dairy products, edible oils, fat spreads, convenience meals and 3 in 1 beverages.
Trans fat free	Contains less than 0.5g/100g of trans fats	Margarines, edible oils, biscuits, cookies, cakes, breads.
Low Glycaemic Index	**Contains a Glycaemic Index (GI) value less than 55.**	**Use ISO 26642:2010 for classification.**
2+2 servings of fruits / vegetables daily.		Fresh fruits and vegetables.

HCS: LOW GI CEREAL BAR REQUIREMENTS

Low Glycaemic Index

For a Low GI snack bar to meet the criteria for the Healthier Choice Label it must meet both the general requirements for a cereal bar as well as a low GI requirements. Both of which are outlined on this slide.

Requirements to achieve a Low Glycemic Index logo endorsement.

Products that wish to carry the HC Glycaemic Index Logo must fulfil all the following criteria:

1. Food products must first meet all the HCS nutrient guidelines as specified in the category the product falls under, before it can apply for the Low GI claim.
2. Must have a GI value* of less than n55.
3. Product eligibility for GI testing:

At least 7.5g of carbohydrate per serving of the food product (This amount of carbohydrate should be present to qualify for GI testing)

OR

50% of the macronutrient must be carbohydrates.

* The cut-off values for the classification of low, medium and high GI are standardised internationally (ISO 26642:2010)

Requirements for a Cereal Bar to be admitted to the HCL label.								
Sub- Category	Energy (kcal/serving)	Fat (g/100g)	Saturated Fat (g/100g)	Trans Fat (g/100g)	Sodium (mg/100g)	Dietary Fibre (g/100g)	Total Sugar (g/100g)	% of Whole Grains
Breakfast Cereals, Cereal Bars, Fruit Bars, (ready-to-eat)	-	≤4[b]	-	-	≤400	≥4	≤25[a]	≥25

SINGAPORE DISTRUBUTION TABLE 1

Name	Description	Category	Singapore	China	HI Value Services such as brand and market assistance.
JBR Singapore Website Email Current Brands		Distributes FMCG	Yes	Yes	Not Apparent
		Distributes Snack Products	Yes	Yes	
		Multinational Brands	Yes	Yes	
		Wholesalers	Yes	Yes	
		Supermarkets,	Yes	Yes	
		Independent Retailers	Yes	Yes	
		Caterers	Yes	Yes	
		Retail Outlets i.e. cafes.	Yes	Yes	
Ban Choon Marketing Pte Ltd. Website Email Current Brands	Appears to distribute predominately fresh fruit and vegetables + health supplements. Is actively seeking new product categories to leverage its established distribution network.	Distributes FMCG	Yes	No	Not Apparent
		Distributes Snack Products	No	No	
		Multinational Brands	Yes	No	
		Wholesalers	Unsure	No	
		Supermarkets,	Yes	No	
		Independent Retailers	Unsure	No	
		Caterers	Unsure	No	
		Retail Outlets i.e. cafes.	Unsure	No	
Gan Teck Kar Website Email Current Brands	Network includes Retail Customers such as supermarkets, grocers, convenience stores and pharmacies to Foodservice Customers such as hotels, restaurants, pubs, cafes, ships and airlines. They currently channel our products to over 600 distribution points throughout Singapore over 400 in Malaysia.	Distributes FMCG	Yes	No	Yes
		Distributes Snack Products	Yes	No	
		Multinational Brands	Yes	No	
		Wholesalers	Yes	No	
		Supermarkets,	Yes	No	
		Independent Retailers	Yes	No	
		Caterers	Yes	No	
		Retail Outlets i.e. cafes.	Yes	No	

SINGAPORE DISTRUBUTION TABLE 2

Name	Description	Category	Singapore	China	HI Value Services such as brand and market assistance.
Lim Siang Huat Website Email Current Brands	Large Asian Distributor	Distrubutes FMCG	Yes	Yes	Not Apparent
		Distrubutes Snack Products	Yes	Yes	
		Multinational Brands	Yes	Yes	
		Wholesalers	Yes	Yes	
		Supermarkets,	Yes	Yes	
		Independent Retailers	Yes	Yes	
		Caterers	Yes	Yes	
		Retail Outlets i.e. cafes.	Yes	Yes	
Walson Website Email Current Brands	Top foodservice companies in distributing a wide array of confectionery, food products and beverages to diverse business units that include food & beverage and hospitality establishments, wholesale, and export. 121 Brands Currently offered.	Distributes FMCG	Yes	No	Not Apparent
		Distributes Snack Products	Yes	No	
		Multinational Brands	Yes	No	
		Wholesalers	Yes	No	
		Supermarkets,	Yes	No	
		Independent Retailers	Yes	No	
		Caterers	Yes	No	
		Retail Outlets i.e. cafes.	Yes	No	
Corlison Website Email Current Brands	No food products but has very high value brand managements service which may be of use.	Distributes FMCG	Yes	No	Yes
		Distributes Snack Products	No	No	
		Multinational Brands	Yes	No	
		Wholesalers	Yes	No	
		Supermarkets,	Yes	No	
		Independent Retailers	Yes	No	
		Caterers	Yes	No	
		Retail Outlets i.e. cafes.	Yes	No	

CHINA DISTRUBUTION TABLE 1

Name	Description	Registered Users	One Off Registration Fee	Membership fee	Listing Fee	Commission	Deposit	Requirements
Koala	Large, fast growing online retailer specialising in packaged foods and dairy products	30 million	None	USD $1,000 per annum	Not Required	2-10%	USD $15,000	• Translation for product content and seller support. • A local Chinese address to handle returns. • Product details uploaded via an API or CSV.
SF Best	2,000 physical stores as well as an online platform specialising in food and drink. Economy to Mid Range pricing (not premium and high value products)	20 million	Sell wholesale to SF best. They organise the rest.					• Translation for product content and seller support. • A local Chinese address to handle returns. • Product details uploaded via CSV.
NZ Post (via Tmall)	NZ post have established a Tmall store which is stocked with NZ products to help reduce the barriers of cost that often occur when selling a product directly on Tmall.	Over 300 million	Please contact NZ posts global logistics team for more information (glteam@nzpost.co.nz)					

CHINA DISTRUBUTION TABLE 2

Name	Description	Registered Users	One Off Registration Fee	Membership fee	Listing Fee	Commission	Deposit	Requirements
Tmall	The largest B2C e commerce platform for international companies to sell and list products in China.	500 million monthly active users	Unsure	$5000 – $10,000 USD	1% per transaction	2%	$15,000 – $50,000 USD	• Priority to multi national brands or companies with turnover greater than US$15m. • Must either own the brand or be a distributor for the brand. • Chinese customer service.