

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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China - Peoples Republic of

Post: Beijing ATO

Tabletop Trade Show Scores Sales In Beijing

Report Categories:

Agricultural Trade Office Activities

CSSF Activity Report

Export Accomplishments - Events

Export Accomplishments - Other

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Report Highlights:

In November, ATO launched a CSSF-funded tabletop trade show that connected Beijing and Tianjin-based importers with E-commerce, local retail, HRI and out-of-town buyers. Twenty three organizations took part.

Background:

ATO/Beijing in November launched a tabletop trade show that helped to bring Chinese importer/distributors based in Beijing and Tianjin, together with potential buyers. ATO recruited 23 organizations, including nineteen distributors of U.S. food products, two U.S. exporters, and two U.S. cooperators groups. Participants report making an average of 15 new buyer contacts. Five of these participants estimated total sales from this event at \$1.5 million. The event cost \$6,000 to host, funded through the Foreign Agriculture Service's Country Strategy Support Fund (CSSF).

The Road Show At Home:

For U.S. exporters of high value food products to China, Chinese importer/distributors are the crucial link. They cope with the red tape and the risks of doing business in China, and market U.S. products to retailers, hotels and directly to consumers. However, domestic markets remain heavily fragmented in China, so most distributors focus on a single region. Expansion requires moving into new markets: either new niches, like e-commerce; or new regions, requiring that they find a local sub-distributor.

ATO pioneered the tabletop trade show in 2010 as a means of helping importer/distributors recruit new partners in China's fast-growing second and third-tier cities. For that event, ATO took distributors to three of the best emerging markets in North China to conduct a mini-trade show road show. ATO arranged a display area in each of the cities and recruited potential buyers to visit the event, while participants paid a small fee for display space. Participants also recruited their own buyer contacts, who had the chance to see the full range of products on display. The event was extremely popular with the participants.

Timing is Everything

For the 2013 event, ATO scaled the tabletop trade show model down, and brought it back to Beijing. This was partly a reflection of reduced budgets (one city versus three), but also reflected distributor interest in new sales channels. While the requirement to travel to Beijing reduced the number of contacts with emerging city markets, the recent boom in e-commerce added new contacts to the mix, whose participation was crucial to the success of this event. Timing of the event shortly before the Food and Hotel China trade show in Shanghai also helped ATO rope in several companies who were traveling in China on their way to this international trade show.

The list of visitors was impressive: retailers, distributors, HRI players, local food associations and e-commerce players including: Amazon.cn, JD.com, Benlai.com, yihaodian.com, CNR Mall, BHG, Ito Yokado, 7-11, Jinkelong, Jenny Lou's store, Lotto, Radisson Hotel, Quanjude Restaurant, the China Wholesale Markets Association, and the China Chain Store & Franchise Association. Products ranged from dairy products to fresh fruit, wine to soft drinks, snacks to dried fruit, meat products to seafood. The event provided an excellent opportunity for participating exhibitors to make contact with key industry players in Beijing and Tianjin, especially with e-commerce players. The event was an excellent platform to exhibit and display new to market products offered by the exhibitors. Major Beijing retailers are attempting to improve their image by offering a greater variety of unique food imports.

The Tip of the Iceberg:

Outcome reporting by participants is a common issue in China, and makes evaluation difficult. However, with only five participants reporting results, projected sales for the next 6-12 months were \$1.5 million. Given that participants reported making an average of 15 new contacts, actual sales are likely to be considerably higher. Followup with participants indicated that they were happy with the event, although there was a general feeling that subdistributors emerging city markets were under represented. Support for another road show event remains strong.