



Market entry strategy for beverages in Myanmar

Case study

BA created a route-to-market strategy for a global beer manufacturer to enter the Myanmar market

Client Background

- The client is a global brewery group with a beer portfolio of more than 500 brands
- The client's overriding objective is to be the world's fastest growing global beer company
- One of the countries in which it has recently made a significant investment in order to meet its growth objectives is Myanmar
- In order to do so, the client partnered with Boston Analytics to ensure a robust analysis of the market opportunity that is contextually rich and based on findings validated through detailed primary and secondary research

Key Highlights

- BA captured the market size, growth rates, market dynamics, key drivers and inhibitors and presented assessment of market attractiveness and specific opportunities
- BA identified prevailing sales and distribution models for the beer market in Myanmar
- BA analyzed the role and strategic importance of different channel entities and mapped competitors' strategies to prevailing distribution channels to inform the design of an effective RTM strategy for the client
- BA analyzed the beer market in Myanmar using extensive secondary research and primary interviews
- BA provided analysis of key findings in the focus segments and recommendations for an effective distribution strategy for the client

Key Business Questions

1

What are the key characteristics of the consumer market for beer in Myanmar?

2

What are the key distribution channels in Myanmar, what are some of the key models for distribution and what are the advantages and disadvantages of each?

Key market attributes and attractive segments for growth were identified along with distribution channels

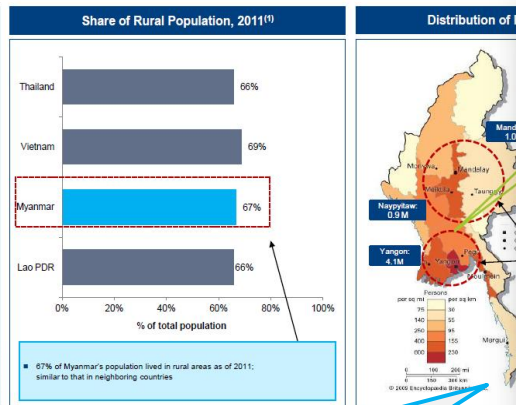
1 What are the key characteristics of the consumer market for beer in Myanmar?

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BA segmented the beer market based on a range of consumption characteristics and also identified the most attractive target segments for market entry into Myanmar.

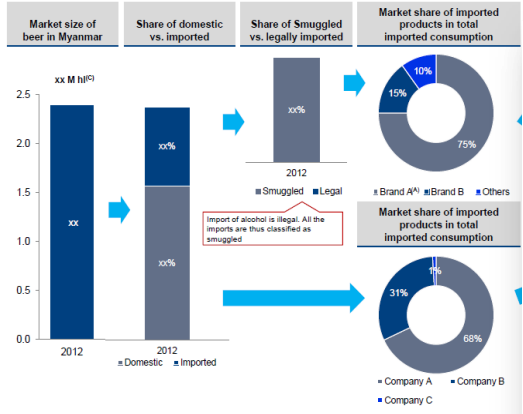
More than two thirds of the population in Myanmar lives in rural, sparsely populated areas making distribution challenging

Illustrative



The total market size for beer in Burma is ~xx M hl (1.2 billion liters). Imported beer constitutes ~xx% of the total market^(1, 2)

Illustrative



Overall market share of

The Myanmar beer market can be segmented into three with a different set of consumption characteristics

Illustrative

Particulars	Major Cities ^(A)	Other smaller cities/towns	Rural areas
Population (million)	xx	xx	xx
% of total population	xx%	xx%	xx%
Product type preference	Beer + premium spirits	Beer + local spirits	Mostly local spirits
Beer type preference	Low alcohol content (mostly lager beer type)	Low-medium alcohol content (both lager and strong)	High alcohol content. Sometimes mix spirit with beer to increase alcohol content (prefer strong beer)
Reason for consumption	Mostly social	Mostly social + habitual	To experience a high
Mostly popular beer brand	Brand A	Brand B	Brand A and B
Popular Packaging Type	Crate + kegs + loose cardboard packaging	Loose cardboard packaging; bottles and cans	Loose cardboard packaging; mainly cans
Distribution	Mostly served by distributors directly	Served by both distributors + wholesalers	Mostly served by wholesalers + sub-wholesalers

"Company A is planning to position itself as a premium player in the market and might do quite well as the consumer perception is that it is a premium and aspirational brand."
 "Company B is directly going up against Company C and Company D, which makes up the local market, and hence needs an aggressive strategy and value proposition"
 — Respondent, manufacturer

Source: (1) Primary Research
 Notes: (A) Metros Cities includes Yangon, Mandalay, Naypyitaw, Mawlamyine, Bagan, Patheingyi, Monywa, Sittwe, Meiktila, Mergui, Taunggyi and Pyaw
 (B) Other smaller cities and towns are the remaining urban cities and towns.
 (C) Rural areas constitutes xx% of total population of Myanmar

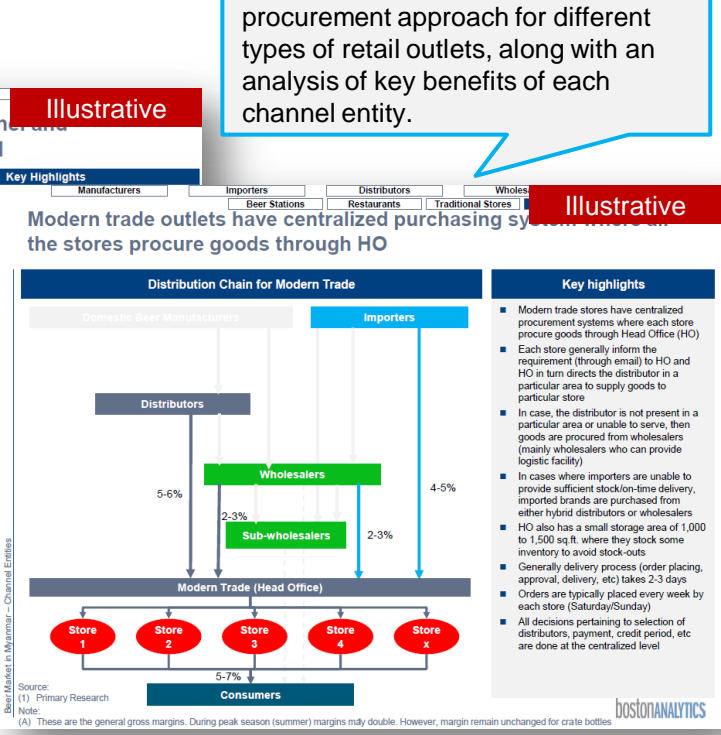
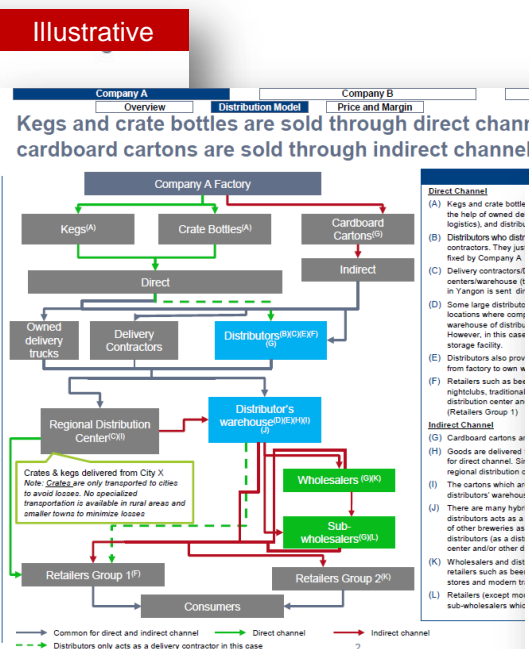
BA evaluated the key differences between rural and urban areas in Myanmar, focusing on the impact of fragmentation on beer distribution in Myanmar.

BA recommended an effective distribution strategy for the client based on an in-depth analysis of key factors

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2 What are the key distribution channels in Myanmar, what are some of the key models for distribution and what are the advantages and disadvantages for each of these?

BA developed an in-depth understanding of the distribution and procurement approach for different types of retail outlets, along with an analysis of key benefits of each channel entity.



BA identified the typical distribution chain from manufacturer to consumer and also analyzed distribution best practices within industry, e.g., in terms of incentives, marketing support, financing, etc.

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