STRATEGIES FOR EXPANDING INTO EMERGING MARKETS WITH E-COMMERCE

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INTRODUCTION: E-COMMERCE GOES GLOBAL

The growth in e-commerce over the past five years has transformed consumer spending and shopping habits, affecting emerging and developing countries product pricing, consumer behaviour, lifestyle and products and goods availability. According to Euromonitor International, global e-commerce is projected to grow at a constant value Compound Annual Growth Rate (CAGR) of 12% globally from 2015 to 2020. In contrast, store-based retailing, which continues to be the biggest channel by value, will grow by a CAGR of just 2% over the same time period.

To date, much of this growth has taken place in developed markets; however, as more consumers in emerging and developing countries gain access to the internet and consumer and investor interest increases with intensifying retailing competition, e-commerce will create a better business environment. Emerging market economies will become an increasingly attractive destination for foreign players looking to expand their global footprint and enhance their product and service offerings, impacting prices, product quality, variety and the range of services available online.

E-Commerce Sales Outlook for Emerging and Developing Markets: 2015–2020

Source: Euromonitor International from trade sources / national statistics
Note: (1) Data refers to retail sales prices (RSP) excluding sales tax. (2) Data is in constant terms, US$ fixed 2015 exchange rates.
With internet use growing rapidly across most of the world, retailers and manufacturers seeking to broaden their reach have an unprecedented opportunity for international expansion through digital channels. Choosing the best markets for an internet-based expansion and developing an effective model for a chosen market requires careful analysis of the opportunities and consumer expectations across strategy, payments and logistics to ensure effective market entrance and prevent expensive missteps.

This white paper presents five strategic considerations for assessing and expanding into emerging and developing countries, identifying market characteristics and indicators specific to emerging and developing countries that retailers and manufacturers should understand when selecting a market for entry. Case studies demonstrate how successful retailers have effectively entered emerging markets by navigating local conditions and consumer preferences.
KNOW YOUR TARGET MARKET: DEMOGRAPHIC AND INCOME

Understanding local consumers is essential for shaping a successful strategy. Home to over 85% of the world’s population and totalling six billion people in 2016, emerging markets will continue to drive global disposable income growth through 2030. As a result of rising income and the expansion of the middle classes, emerging and developing countries represent attractive opportunities for consumer goods companies. And internet penetration will continue to grow: Euromonitor International projects the percentage of the population with internet access in emerging and developing countries will increase from 34% in 2015 to 45% in 2020 and 50% in 2025. This increased access is changing and informing consumers’ decision-making process along the path to purchase. For this reason, it is imperative that companies consider how demographic factors differ between emerging and developed markets.

Age: Rise of the millennial consumer
A natural and gradual shift in consumer demographics will continue to shape commerce around the globe. Members of the millennial generation, also known as Generation Y or the “Echo Boomers”, were born between 1980 and 1994 and will take centre stage as consumers in the future. In fact, millennials represented over 1.5 billion people in emerging markets in 2015. In both developed and emerging markets, the demographic cohort following Generation X is the first generation to come of age using digital technology and services, making them a prime audience for retailers to reach through the internet. For this reason, it is important for companies to understand how to target this segment.

Across many markets, this generation is, on average, more educated, better able to multi-task and has had greater exposure to the world of information through the internet when compared with preceding age groups. Despite the fact that baby boomers are currently the largest generation of active workers, millennials have increasingly more purchasing power and decision-making influence in economies worldwide.
China and India represent the biggest markets of millennial consumers, with over 600 million people combined in 2015—twice the size of the total US population. Millennials in countries such as Indonesia, Brazil, Russia and Mexico accounted for over 25% of the total population in each country in 2015. Given the prominence of this demographic in years to come, it is critical for companies to know how this generation makes decisions along the purchasing path. Having grown up with the internet, millennials are highly attached to their smartphones, which they use for browsing, researching products and services, conducting price comparisons and when companies create a trusted payment environment and comfortable user experience, completing purchase transactions.

**Millennials: A Key Demographic**

Source: Euromonitor International from trade sources / national statistics
Income: Expansion of the middle class

In 2016, there will be more than 1.1 billion households with an annual disposable income over US$10,000 (in purchasing power parity terms) across major emerging markets and developing countries. The expansion of the middle class in these countries continues to bring a new way of living.

There is a clear disparity among the world’s largest emerging markets and the average incomes of their middle income households from 1995 to 2015. Saudi Arabia, for instance, had the highest average disposable income at US$33,393 in 2015, while Ukraine had only US$3,086—a difference of over US$30,000. At the same time, China has aggressively grown its average disposable income with 308% (or US$2,337 to US$9,532) period growth. Similarly, countries like Kazakhstan and Vietnam increased their disposable income by 317% and 107%, respectively, in the last 10 years. These disparities demonstrate how consumer conditions vary significantly across emerging and developing countries and highlight the importance of tailoring retail sales strategies to suit market-specific conditions. For example, retailers and manufacturers should approach consumers in Brazil differently from those in India.

Average Disposable Income Climbs across Emerging Markets

Source: Euromonitor International from trade sources / national statistics
CONSIDER THE DIGITAL LANDSCAPE

Internet penetration rates: Consumers connecting online

Understanding if—and how—consumers access the internet is a second early step for developing an e-commerce strategy. Access to the internet varies significantly across emerging markets, and companies seeking to target consumers in these countries will need to understand local internet conditions to develop an effective strategy for that market. For example, in 2015, the United Arab Emirates had the highest number of people using the internet at 92% of the population; by contrast, the internet usage rate remained below 50% in Mexico, Ukraine, Peru, the Philippines and Vietnam in that same year. Many emerging markets are experiencing rapid change in connectivity: from 2010 to 2015, Chile, Russia and Argentina saw the fastest internet penetration increase, from an average of 40% of the population using the internet to an average of 70%.

In places where this growth has taken place very rapidly, many consumers are accessing the internet for the first time—and for many of the newly connected, the idea of shopping online may not yet be intuitive. Further, shopping online versus in-store presents different “risks” to consumers, including a greater perceived threat of payment fraud, the possibility that a product will not meet the consumer’s expectations, or that the product will not arrive at all. Retailers in markets where perceived risk is a barrier will need to work to build greater trust with consumers before they feel comfortable shopping online.
Mobile internet subscription rates: More devices at-hand

In some countries, mobile phones are the main way consumers access the internet, suggesting strong growth potential for m-commerce. The rise in mobile internet access in emerging and developing countries increased sharply between 2010 and 2015, with the number of mobile internet subscriptions growing from 299 million to two billion in just five years. China represents the biggest market, with 660 million subscribers in 2015. Similarly, Brazil, Indonesia and Russia have rapidly increased their mobile internet subscription rate, collectively representing a total market of over 397 million in 2015. In countries where mobile is the primary way of accessing the internet, retailers must adjust their strategies to ensure a very strong mobile experience and be sure they are positioned to take advantage of consumers shopping on-the-go. For example, companies will need to ensure their website is mobile-optimised, evaluate whether an app is an appropriate tool considering their value proposition and target audience and look for ways to use mobile technology outside of the purchase transaction, such as to engage with consumers through social media.
Mobile Internet Subscriptions in 2015 by Emerging Market

Source: Mobile Internet Subscriptions: Euromonitor International from International Telecommunications Union (ITU)

Note: Refers to the sum of both standard mobile internet and dedicated mobile internet subscriptions. Dedicated mobile internet subscriptions include all stand-alone services that use mobile internet connection. Include data cards, USB modems and other devices using SIM card other than mobile telephones.
ASSESS THE STRATEGIC STATUS QUO

Market conditions

Once a company has an understanding of the consumer demographics in their target market, devising a strategy for expansion into an emerging market via e-commerce requires assessing the channel’s state of development to understand how to situate their brand in the market. This includes identifying the factors that have limited the channel’s development so far: for instance, a prevalent consumer opinion that shopping online is risky, or a signal that companies already operating in the space have left gaps in their strategies that others may be able to fill, such as only shipping to consumers in tier one cities, thus neglecting consumers in second tier cities and rural areas. Understanding the “status quo” enables potential newcomers to improve the overall online shopping experience for consumers in a given market or take advantage of competitive opportunities.

Consumer-side factors such as a lack of internet access or a low level of trust in shopping online are more characteristic of markets that are relatively earlier in their e-commerce development. In cases like this, marketing campaigns that aim to educate consumers can be effective. Case in point, Amazon India’s partnership with Vakrangee is a venture designed to both educate people and offer additional security to consumers who are not already heavy online shoppers. Vakrangee, which operates across 50,000 outlets in India, 70% of which are in rural locations, takes over many of the physical store functions Amazon ordinarily does without. For example, Vakrangee provides pick-up services for purchases made on Amazon India’s website, performs follow-up on orders on behalf of customers and offers other services that promote the idea of shopping online.
Competitive landscape

Next, potential new entrants should consider the nature of the emerging and developing countries’ competitive landscape, which in the e-commerce channel across emerging markets ranges from consolidated to highly fragmented:

Early-stage markets tend to be dominated by a small number of players, often companies without local operations who benefit from cross-border transactions. This scenario explains Amazon US’ popularity in markets like Ecuador.

Mid-stage emerging markets tend to have highly fragmented e-commerce landscapes, as they represent a more attractive target for international retailers and store-based domestic players increasingly investing in the channel as part of an omnichannel strategy.

Later-stage markets in recent years have generally returned to a more consolidated landscape, as marketplace-style companies become immensely successful and smaller players are acquired or exit the market. For example, the top three e-commerce companies in Japan control 42% of sales, and Alibaba alone accounts for almost half of China’s e-commerce sales.

Expansions across significant geographic, linguistic or cultural boundaries are generally more difficult to complete successfully, especially for companies lacking significant international experience. Companies seeking to execute such an expansion may find that marketplaces—where e-commerce is already present—may constitute the easiest route to market. Consumers are drawn to online marketplaces for their wide variety of inventory as well as the additional services they provide to uniformly handle every step of the purchase and delivery processes. The benefits are similar for manufacturers seeking to sell online in a market for the first time, as marketplaces often function as a one-stop shop and it is easy for businesses to set up and manage store fronts, handle payments, manage logistics and draw traffic from a wide and diverse group of consumers.
Case study: MercadoLibre

MercadoLibre is an example of a marketplace offering new market entrants both technology and potential customers. With presence in 16 countries, primarily in Latin America and the Caribbean in 2015, it is a platform on which a new market entrant can sell their merchandise and functions as an alternative to launching their own website. It provides a convenient place for consumers to find products from a wide variety of brands, making it attractive for manufacturers looking to reach a broad audience. MercadoLibre offers a secure method of online payment called MercadoPago and coordinates shipping services through their platform MercadoEnvios. The company reports that in 2015, 72.5% of gross merchandise volume done on the marketplace was paid for via MercadoPago, and in mid-2014, approximately 18% of inventory sold was shipped via MercadoEnvios.

Marketplaces like MercadoLibre have found demand not just from local manufacturers, for whom retail operations are either a side focus or are completely unknown, but also from foreign retailers who find the ease of using a marketplace’s services too compelling to ignore. These foreign retailers may partner with the marketplace to complement their proprietary e-commerce operations or as a substitute for dealing with the complexities of establishing proprietary e-commerce operations in an unfamiliar environment. Gucci, for example, maintains an official storefront on MercadoLibre Mexico and US-based retailer Costco has found tremendous success selling on Alibaba’s T-Mall platform throughout China.

Consumer preferences

When it comes to attracting customers, a company deciding to launch proprietary e-commerce operations—as opposed to simply opening a storefront on an established marketplace—has a more complex task ahead of them, whether their initiative is their sole e-commerce strategy or is occurring in tandem with developing an online marketplace presence.

The primary challenge for new entrants is persuading existing online consumers to do their online shopping with them rather than with a competitor. Earning away their dollars requires delivering a superior shopping experience, and that takes a deep understanding of what consumers in the market are looking for from a retailer.
Consumers will have different concerns about the internet as a shopping platform depending on the conditions of their markets, but a few generalities can be drawn across markets about the features shoppers care the most about in an online experience. Consumers tend to prioritise: product variety, ease and low cost of shipping and returns, reliable and quick delivery and payment transaction security.

Global leaders in e-commerce such as Amazon or Alibaba generally deliver services that meet these criteria. It’s important to note that today, consumers do not view these services as exceptional; rather, they represent a standard level of service that they increasingly expect from their internet retailers. That is why all internet retailers should be watching for opportunities to continually improve on the services they offer.
UNDERSTAND PAYMENT PREFERENCES

The payments dilemma

Tangential to the developmental state of e-commerce in a market, but equally relevant for brands seeking to enter a market for the first time, is understanding consumers’ preferred payment methods. While card-based payments are the dominant method of payment in developed markets, cash payments are by far the preferred method across the consumer populations of most emerging markets. The prevalence of cash can be attributed to a variety of factors ranging from the dominance of traditional retail and foodservice outlets in these markets that generally do not accept card payments to credit card application requirements that are difficult for lower and middle class consumers to meet. It’s easy enough to transact with cash at brick-and-mortar locations, but cash payments cannot be processed for online transactions, posing a dilemma for internet retailers—especially purely online players—who want to attract customers from Southeast Asia and other emerging and developing countries through internet channels.

Cash Dominates Payment Landscape in Key E-Commerce Markets

![Chart showing the percentage of total consumer transactions done in cash in various countries in 2015.](chart)

Source: Euromonitor International
Case study: Lazada

Lazada launched as a pure e-commerce player in 2012 and quickly grew sales to nearly US$1,025 million by the end of 2015. Formerly owned by German Rocket Internet, Lazada was purchased by Alibaba in early 2016 and has a strong presence in Indonesia, Malaysia, the Philippines, Thailand and Vietnam, some of the most cash-prevalent markets in the world.

To circumvent the issue and ensure that the majority of potential consumers in these markets could shop on Lazada’s platform, Lazada implemented a cash-on-delivery service. This gives consumers the option of either paying online via a card at the time of purchase or paying in cash when the product is delivered. Allowing cash on delivery has proven to be a very successful strategy. According to a 2015 interview between the Philippines’ Business Mirror and the CEO of Lazada e-Services Philippines Inc., 75% of the company’s Philippines revenue comes from cash-on-delivery sales, with chief executive Alessandro Piscini telling Thailand’s the Nation that approximately 70% of Lazada customers prefer cash on delivery in that country as well.

The paradox of accepting cash

There are two substantial caveats to a cash-on-delivery strategy, however. First, allowing cash-on-delivery significantly increases the complexity of delivery logistics, wherein logistics divisions or third party logistics companies handling deliveries on behalf of retailers must prepare employees making deliveries to accept cash and ultimately deliver the payment back to the retailer. Additionally, some consumers will, upon receiving the product in person, decide to make an immediate return. That means the delivery person must also be prepared to accept returned merchandise and store these items until they can be returned to the retailer.

These circumstances are relatively easy to manage when logistics are handled by the retailer directly, for example, in the case of MercadoLibre’s MercadoEnvíos service or Alibaba’s logistics network. But they make cash-on-delivery more difficult to establish when a third-party logistics company is used for deliveries or if the notion of cash-on-delivery is not yet commonplace in a market, as is the case in many emerging and developing markets whose e-commerce markets are not yet heavily consolidated by a small handful of players.
In Mexico, for example, where cash payments account for 82% of all consumer purchase transactions due to the fact that 51% of the population over the age of 15 was considered unbanked in 2015, many major e-commerce companies offer cash upon receipt of the product. This is done in an attempt to facilitate online purchases by consumers that would prefer not to risk their payment information or are cardless. In an interesting strategy, some retailers, including the leading company in Mexican e-commerce, MercadoLibre, which does not operate stores, allows consumers to make a purchase online via MercadoLibre and then pay for their purchase in cash at an outlet of the convenience store chain Oxxo, which has more than 14,000 locations throughout Mexico.

This brings to light the second potentially disadvantageous factor surrounding cash-on-delivery strategies: even in cash-preferred markets, some consumers may not be interested in paying cash on delivery. Offering cash-on-delivery or the option to pay cash at a brick and mortar location has not proved to be the panacea for boosting e-commerce in Mexico, where online sales accounted for just 2% of total retailing in 2015 despite the extensive efforts made by companies to facilitate card-less payments. This is low, compared to global level of 7% as well as in comparison to others in Latin American markets such as Brazil and Argentina, where online sales accounted for nearly 4% of total retail sales.

**Internet Retailing Share of Total Retailing in Selected Markets: 2015**

Source: Euromonitor International
There are several hypotheses as to why cash-on-delivery or cash at third-party locations have not proved popular in Mexico. One of these is that it requires payment to be made in full before receiving the product—not necessarily an attractive option if retailers and banks provide interest-free financing for in-store and online, credit card-based purchases. And unlike in developed markets, where such financing is generally limited to durable goods with high unit prices, this financing is available in emerging and developing countries across a wide range of product categories, allowing consumers to make payments towards a purchase over the course of an extended period of time, sometimes up to 18 months.

Looked at from another angle, high-income consumers are more likely to be banked and have access to a credit card or alternate method of financing beyond what is offered by retailers, as well as a greater ability to make a purchase without making payments over time, whereas store financing is favoured by consumers who find it inconvenient or impossible to pay the full cost of their purchase up front. As a result, those who are least likely to pay by card are also the consumers that are most likely to rely on store-offered financing, an option that is sacrificed by paying in cash.

Case study: Falabella’s focus on financing

Falabella SACI, a Chile-based department store with a presence throughout South America and one of the leading regional players in e-commerce, employs an innovative payments strategy to help address the challenges of expanding to and operating in emerging markets. Through its subsidiary, Falabella Financiero, the company has developed payment and financing options for consumers who lack access to traditional financial services or are underserved by existing financial institutions. They offer two successful credit card products that function as a card-based method of financing: the first is a store credit card that can be used to finance purchases made within the Falabella network of stores, and the second is a Falabella-branded credit card that is accepted by all Visa and MasterCard merchants. Thus, a major credit card is issued with lower application requirements than those from conventional banks and is backed by a brand that frequent Falabella shoppers already trust. The company reports that as of the end of 2015, it had 5.8 million active cards combined in Chile, Colombia, Peru and Argentina.
The strategy of offering financing options like store cards has also proved popular in Mexico. The department store chain, Liverpool, with 254 outlets in 2015, issued more cards in the country than leading banks including Santander, Banorte and American Express. Likewise, Palacio de Hierro has found success with store cards and co-branded credit card offerings among its higher-income segment of customers. Despite the likelihood that they have their own bank credit cards, the Tarjeta Palacio accounted for 43.7% of sales in 2015. This shows that beyond providing a method of payment for online purchases, store cards and unique financing options are an effective way to build brand loyalty.
ADAPT TO THE LOGISTICS ENVIRONMENT

Consumer expectations for logistics
Once the payment is made—or, in the case of cash on delivery, planned—the next challenge and fifth consideration for brands is ensuring their logistics network is prepared to deliver products to the consumer. While reliable shipping is a key part of a retailer’s strategy in any market, it is especially important in markets where e-commerce is underdeveloped and many consumers are not yet regularly purchasing online since consumer trust in the channel has not had a chance to develop.

Shopping online offers several benefits for consumers in the form of generally lower prices, wider product variety and the convenience of anytime, anywhere shopping. It does, however, increase the risk associated with the purchase. As with payments, where consumers see more potential for transactions to go awry or be conducted fraudulently, consumers risk the possibility that their purchase will arrive late or not at all, and then face additional hassles in the event the product needs to be returned.

It is critical, therefore, that retailers seeking to sell online ensure consistent delivery operations to build consumers’ faith in the process. Potential pitfalls just in the initial delivery include: packages that are lost, delivered to the wrong address, delivered late or stolen by a consumer’s neighbour. The challenges are similar for product returns.
Case study: Alibaba

One company that has risen above a complex logistics environment to ensure reliable delivery is Alibaba, now the largest retailer in China and one of the largest internet players globally. In the earlier days of its operations, Alibaba relied on local delivery services. But recognising that consumers wanted a high quality delivery system to match a strong shopping and payment experience, the company formed its own distribution system to ensure purchases would arrive reliably and within a predetermined time frame. As in many emerging markets, Alibaba was working to persuade consumers who were not habitual internet shoppers to increasingly shop online.

Building trust amongst consumers, not just during the path to purchase but also to the very end of the consumer’s interaction with the brand, is a key component in convincing consumers to even consider the online channel. While not every new retailer in a country can or should build their own distribution system from scratch, it’s important for companies to commit to providing services that customers expect. Identifying customers’ preferences and finding logistics partners that can deliver on those preferences are key tasks for any company seeking to enter a new market.

The operational environment

Of course, it is never easy to find or build a high-quality distribution network, and in many emerging markets the universal challenges associated with efficiently and correctly delivering millions of packages are further compounded by operational complexities that may be more common in emerging markets than in countries that currently lead e-commerce sales. The lack of proper infrastructure, for instance, could diminish or complicate the process for establishing proper business operations in a market. Countries with large rural populations represent an immense challenge for last mile delivery, while dense urban areas in emerging markets bring other difficulties, like heavy traffic and other logistical restrictions that make it difficult to transport goods. In both areas, formal addresses may not be commonplace.

These challenges are real and new entrants should arrive informed and with a plan. At the same time, these market conditions also signal opportunities for companies that are prepared to adapt to them. For example, companies that plan efficient delivery routes will likely find that home delivery can be much more cost-effective in densely-populated cities than less densely-populated ones as seen in the US. This makes it easier to offer low-cost or free shipping, which consumers across markets identify as one of the key features they expect from internet retailers.
This is evidenced by retailer Konga.com’s strategy. Konga launched in 2012, selling only to consumers living in Lagos, later broadening its reach to all of Nigeria. Shipping costs for items purchased on Konga.com varies by where the consumer is based, with Lagos having the lowest shipping costs. At the time of this writing, major cities other than Lagos had shipping fees 33% higher than Lagos, while shipping to locations outside of major cities cost three times as much as shipping to Lagos. A second benefit is that shipping to major cities is often faster, given that they facilitate more efficient warehouse locations.

Densely-populated cities also tend to have thriving networks of convenience stores and / or independent small grocers, which make prime pick-up partners especially for pure e-commerce players, who do not have their own network of brick and mortar stores to rely on as distribution centres. Amazon, for example, is piloting this strategy in a number of markets, including partnering with convenience store chain Oxxo in Mexico, as well as 7-Eleven in the US and Canada. Pick-ups at third-party locations are another strategy for improving retailer margins.
Rural opportunities

Due to the limited infrastructure in many rural areas across the emerging and developing countries, it can be more challenging for businesses to reach rural markets and get the products consumers purchase online into buyers’ hands. This makes urban areas an obvious target for emerging and developing countries market growth, but by no means are they the only option. Thanks to the growing popularity of the internet and smartphone access even outside urban areas, internet retailers have the potential to boost rural consumption via digital channels. Limited infrastructure affects internet retailers looking to ship product to rural areas, but they also impede efforts to establish brick and mortar locations. As a result, consumers in rural areas are often underserved by store-based channels, making those with digital access receptive to online purchases. Towards this end, Alibaba has identified growing share in rural areas as a strategic priority. AliResearch, Alibaba’s research division, estimated in 2014 that by 2016 total e-commerce sales from rural China would reach US$75 billion. Alibaba plans to reach these consumers by using Taobao stores as pick-up partners, building rural distribution centres and encouraging more rural sellers to list on the platform.

Increasing Internet and Mobile Connectivity Could Boost Rural Consumption

Source: Rural and urban population Euromonitor International from national statistics / UN
CONCLUSION

With e-commerce in emerging markets projected to increase at a constant value sales CAGR of 15% between 2015 and 2020—and double digit growth to be seen across nearly all product categories through this channel—emerging markets are attractive targets for companies looking to expand. Choosing a market and developing an effective strategy for market entry is a complex task with many components a consideration for a successful launch. A deep understanding of their target market’s unique demographics and digital and operational landscapes is the first step in evaluating target markets. Developing a successful strategy requires a careful assessment of the competitive and strategic positioning of other companies, as well as the payments and logistics characteristics of the market in question. Answers to the questions posed by these five considerations are must-haves for a company seeking to understand how to use the internet as a tool for e-commerce expansion, both for retailers expanding their own operations or manufacturers seeking to identify the strongest retail partners.
ABOUT EUROMONITOR INTERNATIONAL

Euromonitor International is the world’s leading provider for global business intelligence and strategic market analysis. We have more than 40 years of experience publishing international market reports, business reference books and online databases on consumer markets.

Our global market research database, Passport, provides statistics, analysis, reports, surveys and breaking news on industries, countries and consumers worldwide. Passport connects market research to your company goals and annual planning, analysing market content, competitor insight and future trends impacting businesses globally. And with 90% of our clients renewing every year, companies around the world rely on Passport to develop and expand business operations, answer critical tactical questions and influence strategic decision making.

To discover more about the power of Passport, read product reviews or request a demonstration.

Euromonitor International is headquartered in London, with regional offices in Chicago, Singapore, Shanghai, Vilnius, São Paulo, Santiago, Dubai and Cape Town.
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REFERENCES


 Definitions 

 Emerging and developing countries are countries, which don’t match the criteria of developed markets according to the IMF, are classified as emerging and developing. It is composed of 170 countries: Afghanistan, Albania, Algeria, American Samoa, Angola, Anguilla, Antigua, Argentina, Armenia, Aruba, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia, Bosnia-Herzegovina, Botswana, Brazil, British Virgin Islands, Brunei, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Cayman Islands, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Democratic Republic, Congo-Brazzaville, Costa Rica, Côte d’Ivoire, Croatia, Cuba, Curacao, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, French Guiana, French Polynesia, Gabon, Gambia, Georgia, Ghana, Gibraltar, Grenada, Guadeloupe, Guam, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kuwait, Kyrgyzstan, Laos, Lebanon, Lesotho, Liberia, Libya, Macau, Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Martinique, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, New Caledonia, Nicaragua, Niger, Nigeria, North Korea, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Puerto Rico, Qatar, Réunion, Romania, Russia, Rwanda, Samoa, Sao Tomé e Príncipe, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Sint Maarten, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St Kitts, St Lucia, St Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syria, Tajikistan, Tanzania, Thailand, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, Ukraine, United Arab Emirates, Uruguay, US Virgin Islands, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe.

 Developed countries are countries that have a high level of development. According to the International Monetary Fund (IMF) the following 38 countries are classified as “developed countries”: Andorra, Australia, Austria, Belgium, Bermuda, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, United States.

 Middle class households are households with between 75% and 125% of median income in a given market.