

Voluntary Report – Voluntary - Public Distribution

Date: January 28, 2022

Report Number: CH2022-0017

Report Name: Snack and Relax Hybrid Virtual Market Showcase a Success Despite Extraordinary COVID-19 Hurdles

Country: China - People's Republic of

Post: Beijing ATO

Report Category: CSSF Budget End-of-Year Review, CSSF Budget Mid-Year Review, CSSF Budget Third-Quarter Review, CSSF Budget Request, CSSF Revised Budget, Exporter Guide, Food Processing Ingredients, Food Service - Hotel Restaurant Institutional, Retail Foods, Competitor, Export Promotion Programs, Honey, Market Development Reports, Market Promotion/Competition, Product Brief, Promotion Opportunities, Sales Mission Evaluation, Snack Foods, Trade Show Announcement, Trade Show Closing, Trade Show Evaluation

Prepared By: ATO Beijing

Approved By: Erin Covert

Report Highlights:

The Agricultural Trade Office (ATO) in Beijing coordinated with FAS Trade Missions and Shows to conduct "Snack and Relax!", a hybrid Virtual Market Showcase for U.S. snack and craft beer products from December 14 to 16, 2021 (China Standard Time). Despite extraordinary obstacles in the form of sudden, stringent COVID-19 control measures on hotel conference centers and 48-hour nucleic acid test requirements for all in-person attendees, the three-day event hosted 106 one-on-one meetings that connected 16 U.S. exhibitors with 24 buyer companies in China. Buyers included major retailers, importers, e-commerce operators, and distributors. Exhibitors and buyers reported onsite sales of \$100,000 and expected sales exceeding \$2 million.



Event: “Snack & Relax!” Virtual Market Showcase

Beginning/End Dates: December 14 to 16, 2021 (China Standard Time)

City/Country: Beijing, China

Objectives:

- To match U.S. snack foods and specialty beverage companies with buyers in China and facilitate new business relationships
- To introduce new products to the China market
- To meet new snack food and craft beer buyers in person in Beijing
- To promote and increase awareness of U.S. snack foods and craft beer products in China

Background

As China’s economy and retail markets gradually recover from early pandemic shocks, importers are actively seeking new products that cater to evolving consumer tastes. Many consumers in China enjoy increasingly large disposable incomes and seek to improve and diversify their diets. Virtual opportunities for engagement have become valuable alternatives to international trade missions and business trips since the COVID-19 pandemic began to limit not only international travel, but also domestic movement within China.

Currently, the government of the People’s Republic of China (PRC) continues to impose a zero-tolerance COVID-19 policy, yet new cases are emerging across many regions of China which creates added uncertainty for implementing programs or activity and conducting travel. The PRC response has been unpredictable and not fully transparent as travel



Buyers and translators in Beijing participated in 106 online meetings with U.S. exhibitors.

disruptions occur and neighborhoods or whole cities get “locked down” during and after outbreaks.

ATO Beijing suggests that, based on the Snack and Relax Virtual Market Showcase in December 2021, hybrid virtual trade events are and will continue to be a valuable alternative to both in-person and fully virtual events of the United States and China. The main advantages of the hybrid virtual model for trade facilitation activities are the clear benefits of providing professional technical support in China, as well as continued strong interest in connecting with international counterparts online.



U.S. exhibitors were able to use familiar software, while buyers in China had the support needed to overcome language and technical barriers and forge new deals on site.

The Snack and Relax Virtual Market Showcase in December 2021 was the Foreign Agricultural Service’s first hybrid virtual market showcase or trade mission in China, meaning that it was a business event that included carefully planning a schedule and hosting online B2B meetings between U.S. exhibitors and buyers in China (in lieu of international travel and in-person meetings) as well as an in-person venue with telecommunications portals set up for buyers in China. The in-person component, which was at a hotel conference center in Beijing, provided buyers with stable internet

connections, fully operational teleconference equipment and software, English-Mandarin Chinese translation services, and support staff to resolve technical difficulties and schedule adjustments. This setup addressed several – at times insurmountable – issues encountered during previous virtual events aimed at helping U.S. businesses engage with potential business partners in China, including breaks in meeting connectivity, firewall issues, lack of familiarity with software commonly used in the United States, language barriers, and registration and login issues. ATO Beijing staff on site opened and facilitated meetings, provided additional exhibitor information and context, and aimed to create a warm, inviting atmosphere reminiscent of pre-pandemic trade shows. Unfortunately, Delta variant/COVID-19-related travel restrictions and anxieties scuttled ATO Beijing’s original plan of hosting in-person buyers from multiple regions across China, but Beijing-based buyers were mostly able to participate as planned.

Results

A total of 32 buyers registered to participate, and ultimately 24 buyers from the Beijing region attended. Participating companies were wide-ranging in size and distribution scale, from small- and medium-sized importers and retailers with annual sales of around \$100,000 to state-owned enterprises with sales of over \$100 billion. The event hosted 106 individual meetings over three days. Each U.S. exhibitor had a minimum of three meetings per meeting day and as many as 11 over two days.

Participant Feedback and Recommendations

A survey of buyers after the event showed that not only was it applauded as a valuable opportunity to engage with U.S. suppliers, but the expected sales forecast is strong at around \$6-8 million. Evaluation forms completed by 7 of the 24 exhibitors showed direct sales projected at \$2.5 million, with onsite sales of \$100,000. All 24 buyers surveyed were overwhelmingly



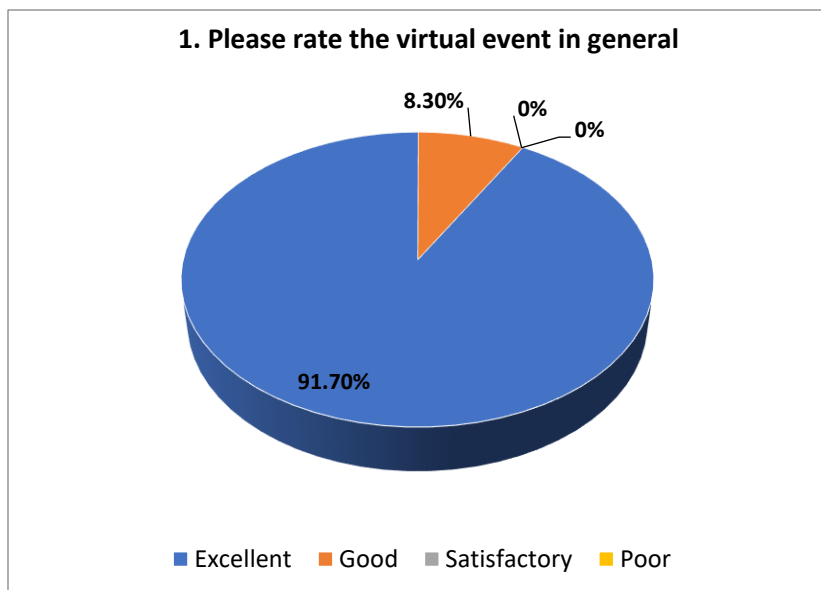
Acting ATO Director Erin Covert discusses U.S. craft beer opportunities with a Beijing-based importer.

(91.7%) supportive of the virtual trade event, rating the event as “excellent,” and 100% indicated they would participate in future virtual events such as ATO-hosted business meetings. In terms of projected sales resulting from the business meetings, 92% of buyers indicated that they are either highly likely or likely to make purchases from the participating exhibitors in the next 12 months, with dried fruits, tree nuts, canned food, processed snacks, and craft beer as the main products reported likely to be purchased.

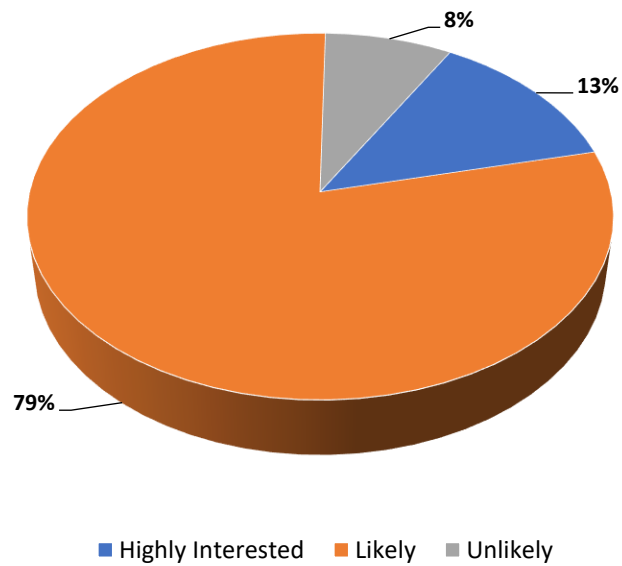
Buyers further indicated that they would be interested in sourcing new alcoholic beverage and meat products in addition to those exhibited during the Virtual Market Showcase. ATO Beijing also learned through this activity that importers are highly interested in American craft beers and would welcome a similar B2B activity in the future combined with a beer tasting event.

ATO Beijing recommends hybrid virtual events like the Snack and Relax Virtual Market Showcase as effective ways to connect U.S. suppliers with buyers in China. For future events, a product sample showcase would be a very strong addition to the business meetings; however, the practicability of including samples will depend on international shipping conditions, which prevented ATO Beijing from doing so at this event.

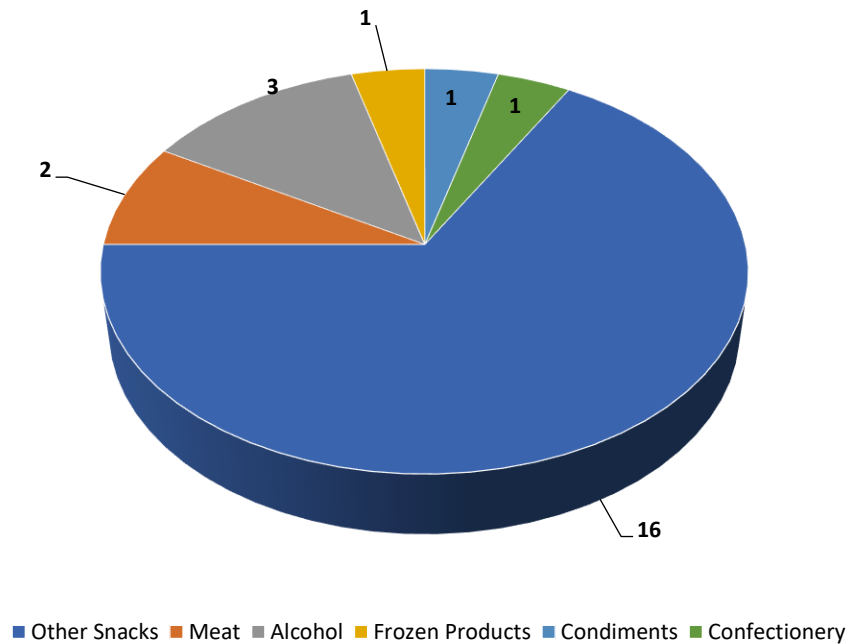
The following graphs show the results of the survey of all 24 buyers who participated in Beijing.

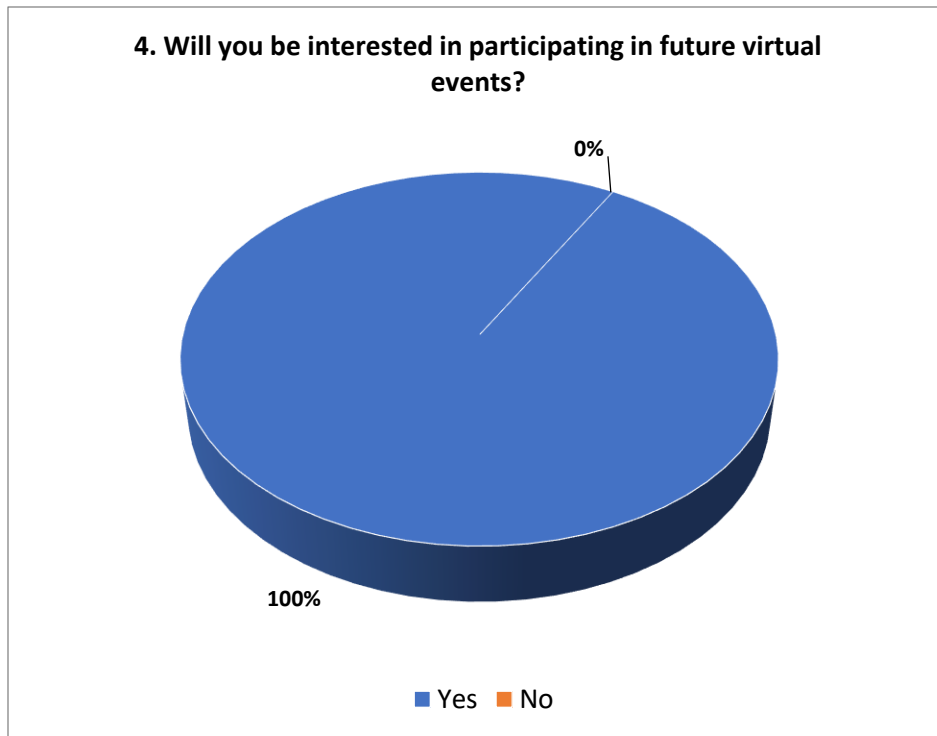


2. How likely are you to make a purchase from the exhibitors in the next 12-month as a result of the event?



3. What other products are you interested in, aside from those offered in the virtual event?





For more information about this report and marketing snack and craft beer products in China, please contact ATO Beijing:

USDA Agricultural Trade Office in Beijing
U.S. Embassy, Beijing, No. 55 An Jia Lou Road
Chaoyang District, Beijing
China, 100600
Tel.: 86-10-8531-3950
Fax: 86-10-8531-3974
Email: atobeijing@usda.gov

Attachments:

No Attachments.