

## Request For Proposal (RFP)

### Study on Fast-Moving Consumer Goods and Luxury Goods markets in Cambodia

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#### I. Background Information

##### a. Partner organizations

EuroCham was established with the objectives of promoting the interests of European businesses operating in Cambodia, facilitating the entry of European companies into the market, assisting existing European businesses and creating an extensive support network among corporate and individual members alike.

UK Trade and Investment (UKTI) Cambodia and the British Chamber of Commerce Cambodia (BritCham Cambodia) provide support and advice to UK companies doing and seeking to do business in Cambodia.

With these objectives in mind, EuroCham, UKTI, & BritCham wish to conduct a study aimed at providing EU companies looking to export and do business in Cambodia with extensive and relevant information on the fast-moving consumer goods (FMCG) and luxury goods markets in Cambodia.

The study will provide an in-depth over view of the sector, as well as identify potential opportunities for European companies looking to export to or do business in Cambodia.

##### b. Contracting Authorities

EuroCham Cambodia, UK Trade & Investment Cambodia & BritCham

##### c. Country background

Cambodia has recorded two decades of consistent economic growth with average annual GDP increases of 7%. With a booming services sector, a blossoming retail and wholesale trade, and growing levels of real estate and tourism-related services, most economists expect Cambodia to sustain this level of growth over the coming years.

On the back of this economic development, the Kingdom has a growing and increasingly affluent middle class. The percentage of the working population classified as high- or middle-income is projects to reach 32% by 2017, which is double the figure it was in 2008.

##### d. Current situation in the sector

Given the above-mentioned economic context, the growing middle classes are expected to continue generating demand for consumer products of higher quality and greater variety. Existing players within the FMCG & luxury goods industry in Cambodia have reported consistent growth in demand for FMCG products since 2009 which is attributed to higher levels of disposable income, greater access to external cultural influences and rapid urbanization.

These trends are likely to generate considerable opportunities for European companies to provide FMCG & luxury goods products to the Cambodian market. This being the case, the Contracting Authorities recognize the need of extensive research into this subject and therefore would like to invite applications for the implementation of the proposed market study.

## II. Objective, purpose and expected results

### a. Overall objective

The overall objective of this study is to provide a comprehensive understanding of the Fast Moving Consumer Goods (FMCG) or Consumer Packaged Goods & luxury goods market in Cambodia.

Specifically, the report is to include:

- A detailed market overview, including current and future trend
- Extensive analysis of specific product categories and subcategories (detailed below)
- Consumer market data and trends, including demographics and psychographic trends
- Competitor information of current major players in the market
- Opportunities identified within the sector.
- Distribution channels (i.e. potential partners) and possible market entry strategies

### b. Purpose

The purpose of this study is to provide an in-depth over view of the sector, as well as identify potential opportunities for European companies looking to export to or do business in Cambodia.

## III. Scope of work

### a. Description of the assignment

The contractor, based on its expertise and human resources, is free to determine the most suitable approach for collecting the relevant data and information to effectively analyze the FMCG & luxury goods market within Cambodia. However, the analysis should include at least:

#### 1. A robust methodology (5%)

A clear and detailed methodology for the study will be developed by the contractor and will be presented in detail in the proposal.

#### 2. Executive summary (5%)

Clear and concise covering all major points of the study.

#### 3. Market Overview (25%)

- Market size, including size of the sector within the national economy
- Brief timeline/history & major trends
- Main players and brands present on the market,
- Brands' share in the market
- Distribution and retail networks
- Forecasting of sector development - spending power, retail sector development factors affecting growth in the sector – for ex. seasonality, tourism, impact of economic situation
- Tourism and duty free shopping.
- Government regulations
- Import regulations and duties
- Tax regulations and duties
- Import and export figures on consumer goods

#### 4. Consumer trends (25%)

- Household expenditure – the study is expected to provide data to indicate how much Cambodian households spend on average on different categories of products and services

(standard basket of products) and, therefore, what proportion of household expenditure is allocated to FMCG & luxury goods products.

- Composition of consumer expenditure on FMCG & luxury goods – the study is expected to describe how much consumers spend on FMCG products & luxury goods with a breakdown by product categories (detailed below).
- Analysis and findings of consumer behaviors within the Cambodian population - the study is expected to deliver insights into buying habits of the consumers and more specifically answer at least the following questions: Where do they shop and how often? Are they loyal to brands? What other influences impact their purchasing choices?
- Description of emerging trends, outlook and informed predictions for the near-to-medium-term-future including possible growth areas and new opportunities.

#### 5. Competitors Information (15%)

- Major industry players including assessments of their market share and sales volumes.
- Geographical penetration levels

#### 6. Recommendation (25%)

- Opportunities by Subsector
- Opportunities for European companies (including consideration of the wider ASEAN, what commodities have proven successful in other ASEAN region and whether this could be replicated in Cambodia)
- Distribution Channels (i.e. potential partners) & Market Entry Strategies (including a list of companies with contact details and what the potential models are for partnering (i.e. whether it is a franchisee model with that particular company))

#### b. Categories to be covered

The contractor shall research and analyze data/information and produce findings covering at least the following points:

##### FMCG category:

- Food (including such subcategories as staples/cereals/bakery products [biscuits, bread, cakes], milk and dairy products, canned/preserved food, confectionary, frozen and chilled processed food, ice cream, noodles and pasta, oils and fats, sauces and condiments, spreads);
- Beverages (including such subcategories as beer, alcohol, soft drinks, tea, coffee, bottled water) - analyze spending and buying habits as well as draw predictions for the future, identify major companies and brands on the market;
- Personal care products (including such subcategories as oral care, hair care, skin care, personal wash (soaps), cosmetics and toiletries, deodorants, perfumes, feminine hygiene, paper products);
- Home care products (including such subcategories as fabric wash: laundry soaps and synthetic detergents and household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish);
- Consumer electronics (including mobile phones, digital cameras, MP3 players, game consoles, headphones, earphones, laptops, USB devices);
- Other goods: clothing, apparel, shoes, accessories...

##### Luxury Goods category

#### c. Geographical area to be covered

The methodology should include both urban and rural areas. Coverage should include at least the following cities: Phnom Penh, Siem Reap, Sihanoukville, Battambang.

#### IV. Specifics tasks

Specific tasks will include:

1. Building a detailed methodology:
  - Bidders are expected to propose a comprehensive methodological approach that they will adopt to collect information and conduct required analysis for this study.
  - Research must employ both qualitative and quantitative data collection methodologies.
  - The research project should include consultation with a wide range of relevant participants including industry players, consumers, subject matter experts.
  - The research must result in analysis that is representative of the entire country, with breakdowns between urban and rural areas and explanation of their differences.
2. Preparing an outline of the study
3. Conducting research according to approved methodology
4. Drafting the findings in a report of minimum 50-60 pages in length
5. Study shall be completed within 4 to 6 weeks from signing the contract
6. The report shall be comprehensive but practical in delivering the data, insights and findings in an intelligible and dynamic way. The report should therefore include case studies, interviews and insights from companies and entrepreneurs already active on Cambodian market as well as consumer.

#### V. Proposal Format

Contractor must submit the proposal in the format explained in this tender. Any proposals submitted that do not comply with the above will be rendered invalid.

All proposals are requested to be submitted in electronic version and contain the following items:

- **Cover letter:** Including official name of the proposing firm, the address, phone number and e-mail of the firm, as well as the name(s) of the principle contact person. The cover letter must be signed by a person(s) authorized to bind the proposing firm
- **Table of Contents:** Include an index listing all contents and any included attachments
- **Contractor firm Background:** This section should include a brief description of the firm as well as experience and qualifications of the person(s) who will be performing the services. This section should include a general overview of the firm's services as well as the extent to which the firm has experience in completing compensation studies within the past years
- **Proposal:** This section should include the approach, means, methods and procedures to be employed to gather the data, analyze findings and develop recommendations as requested
- **Cost/budget:** A breakdown of the firm's rates, fees and charges for services, by phase and for total project, and a proposed payment schedule
- **Additional Services (Optional):** Any other related and recommended services not specified in this RFP which may be considered by the Contracting Authorities. These services should be quoted separately from above
- **Schedule of work:** An estimate of time required to complete the project and a proposed timeline of work tasks, with the date of final completion of the project
- **Key personnel with consultant profiles**
- **References:** Include a description of work performed, company names, addresses, telephone numbers, and contact persons for two references for whom studies were rendered in the past years
- **Other relevant details**

## VI. Proposal Evaluation

The Contracting Authorities shall be the sole and exclusive judge of quality and compliance with Proposal specifications in any of the matters pertaining to this RFP. The Contracting Authorities reserve the right to award the contract in any manner it deems to be in their best interests.

All proposal information will be evaluated according to the criteria listed herein, and the Contractor selected will be chosen on its apparent ability to best meet the overall expectations of the Contracting Authorities:

- Related experience and job references of the firm and key staff with similar studies
- Ability to meet and exceed the requirements set forth in the Scope of work, the quality of the proposed service, and the ability meet the required timeline
- Overall quality and completeness of proposal
- Performance History (References)
- Fee of the services; (i.e., price proposal)
- Other relevant information as submitted

## VII. Proposal Submission

Companies wishing to submit proposals should do so by **no later than 6:00pm, February 18<sup>th</sup> 2015** by sending their proposal and any company brochures, pamphlets and/or materials indicating the company's qualifications to each Contracting Authorities.

Late arrivals with postmarks after to the deadline will not be accepted. All expenses for preparation of the proposal package are the responsibility of the respondent.

Completed proposals must be submitted electronically to: [director@britchamcambodia.org](mailto:director@britchamcambodia.org), [ringaile.saviciene@fco.gov.uk](mailto:ringaile.saviciene@fco.gov.uk), [e.barria@eurocham-cambodia.org](mailto:e.barria@eurocham-cambodia.org) and [director@eurocham-cambodia.org](mailto:director@eurocham-cambodia.org)

## VIII. Tentative Schedule

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|---------------------------------------|---|
| - RFP sent to potential candidates    | February 4 <sup>th</sup> , 2016                           |
| - Deadline for submission of tenders  | February 18 <sup>th</sup> , 2016                          |
| - Internal review of tenders          | February 19 <sup>th</sup> to March 1 <sup>st</sup> , 2016 |
| - Presentation from selected bidders  | March 2 <sup>nd</sup> to March 4 <sup>th</sup> , 2016     |
| - Notification of selected Contractor | March 7 <sup>th</sup> , 2016                              |
| - Completion of Work                  | Expected by beginning of April 2016 (To be discussed)     |

## IX. Ownership of Materials

All materials developed, data collected, or reports prepared under the terms of this project agreement become the property of the Contracting Authorities. The Contracting Authorities reserve the non-exclusive rights to copy such material and to publish, disseminate, and otherwise use the materials developed under the terms of this agreement in print or electronically. Use of summary findings for additional research, including articles and presentations by the contractor must be negotiated under separate agreement with the Contracting Authorities.

## X. Contacts

Questions about this RFP may be directed by **email only** to:

### BritCham Cambodia

Olivia Widen, Executive Director | [director@britchamcambodia.org](mailto:director@britchamcambodia.org)

### UK Trade & Investment Cambodia

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### EuroCham Cambodia

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