

The new middle class, while possessing considerable disposable income, do not have a significant enough income to hire cooks, maids, drivers and other household staff. Their disposable income however, gives them the buying power to purchase good quality foods and other groceries. The change is that they now have to go themselves to purchase these products instead of sending a servant.

As tastes "westernize", the average young Thai professional shuns buying trips to the traditional wet-markets in favour of more western style shopping experiences. Time constraints and an awareness of cost often lead the Thai middle class shopper to these new superstores. Here prices are traditionally lower than the average "grocery" store and most products can be purchased in one location.

Canadian food and grocery producers should not underestimate the buying power of these superstores. Keep in mind however, that you will be dealing directly with the retailer and will be dealing in substantial quantities. A common complaint amongst Thai importers of Canadian products is that Canadian manufacturers cannot deliver the volume of good that they need (ie: a key problem in the past with Canadian wine producers). Contacts for the Thai superstores are located in Section V of this directory.

An interesting corollary to this innovation is that superstores are now moving out of Bangkok and are successfully establishing themselves in substantially smaller population centres throughout Thailand.

2. COOPERATIVE WHOLESALE FOOD DISTRIBUTION

Much of this report has focussed on the distribution of food and grocery products in Bangkok. While Bangkok continues to be the natural target market for imported food products, the markets outside of Bangkok cannot be ignored. One of the main reasons importers have overlooked what is known as "up-country" markets is because of the smaller volumes and difficulties associated with servicing a large number of accounts spread over a vast geographic area. While nothing can be done to negate the geographic distances, recent innovations in distribution have effectively solved the problem of dealing with many small accounts.

In 1993 the Thailand Distribution Centre (TDC) was established to supply wholesale food and grocery products to the up-country market. Instead of acting as just a wholesaler, TDC requests that stores wishing to become involved also take an ownership position in TDC and become "Members". The group has also brought in P&O from Australia to help manage the venture (inventory control and computer ordering). The key selling points of this system is that it allows the group of retailers to take advantage of bulk buying and grants them access to a very efficient ordering system that they would not normally be able to afford. An additional concern, particularly in regards to stores operating up-country, is that each retailer is able (in fact, is encouraged) to retain its own identity. From outside appearances, an outsider would not be able to discern whether a store is a TDC member or not – therefore the good-will and trust that has been built up by the individual retailers is maintained and the desirable "mom and pop" appearance is perpetuated.