

A man in traditional Mongolian attire, including a blue robe and a blue hat with a silver ornament, is riding a brown horse across a vast, open landscape. The background features rolling hills and mountains under a cloudy sky. The text "DOES HORSE NEED TO SURVEY IN MONGOLIA?" is overlaid on the right side of the image.

# DOES HORSE NEED TO SURVEY IN MONGOLIA?

About the Mongolia

*Davaasuren Chuluunbat, President of the MMRA*





# 1. ECONOMIC / FINANCIAL ATTRACTIVENESS OF THE MONGOLIAN MARKETS

# ECONOMY

*GDP (2015)*

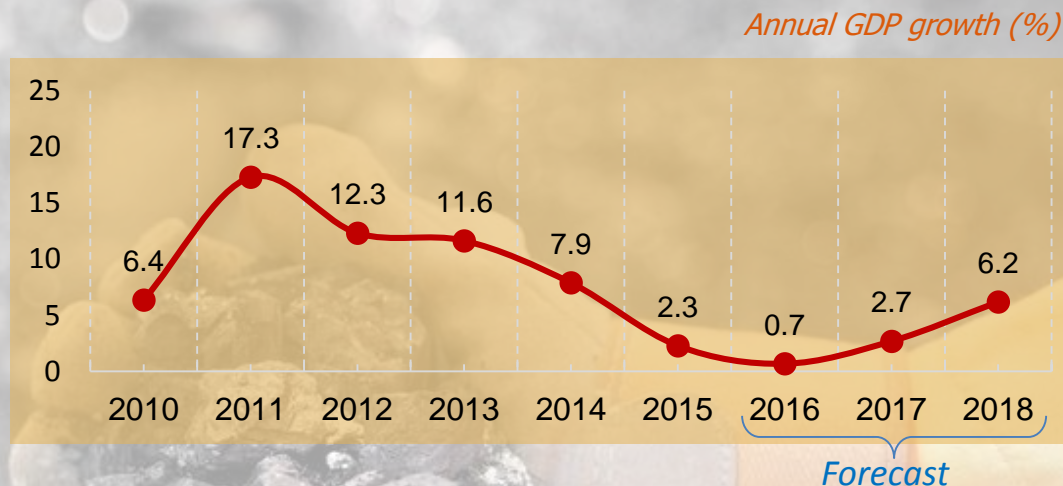
**\$ 11.76 Billion**

*GDP growth rate (2015)*

**2.3%**

*GDP per capita (current US\$, 2015)*

**\$ 3,973.4**



## MAIN ECONOMIC SECTOR, 2015

1. Mining and quarrying
2. Wholesale and retail trade
3. Agriculture, forestry and fishing
4. Manufacturing
5. Real estate activities
6. Financial and insurance activities
7. Transportation and storage
8. Construction
9. Health and education



# DOING BUSINESS IN MONGOLIA

## Mongolian ranks:

- World Bank Group's "Doing Business 2016" #56
- The Forbes "Best Countries for Business" #64

## Why Mongolia?

- Mongolian markets is little, but it is ready; little gem.
- Long and growing list of businesses – selling everything from shampoo to sport cars
- Markets are almost entirely centered into the one place, Ulaanbaatar capital city of Mongolia. UB is supercenter where entire country does business.
- Young, well educated population
- Broad-minded, high literate business community with flush overseas-educated returnees
- Consumers in UB know quality and are willing to pay for it.

## Mongolia-Japan Free Trade and Economic Partnership Agreement:

- 5,700 types of goods from Mongolia
- 9,300 types of goods from Japan





An aerial night photograph of a city, likely Ulaanbaatar, Mongolia. The city is illuminated with various lights, and the background shows dark mountains under a twilight sky. In the foreground, a large, paved square is visible, with some buildings and streetlights. The text "2. MARKET CHARACTERISTICS TO BE UNDERSTOOD:" is overlaid on the right side of the image.

## 2. MARKET CHARACTERISTICS TO BE UNDERSTOOD:

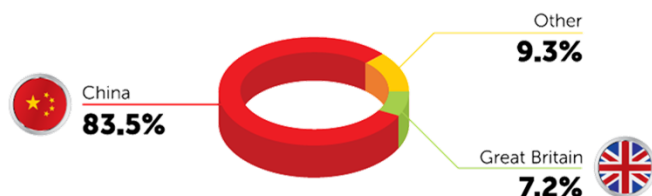
# TOTAL TRADE TURNOVER (thous.USD)

**Export** 4,669,280.5

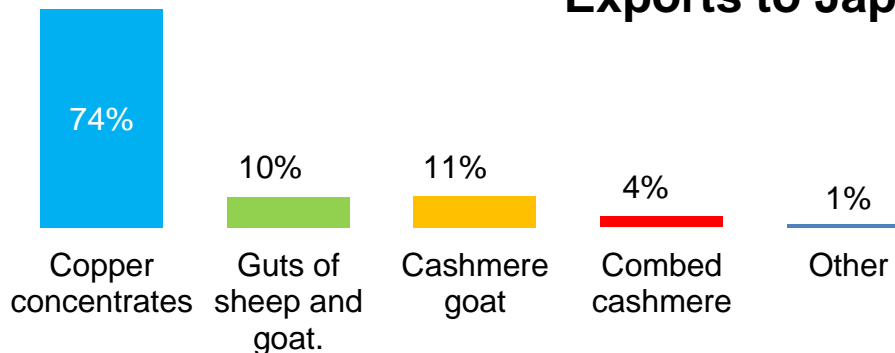
**Import** 3,797,519.1

## Biggest export partners

(mainly copper, livestock, cashmere, wool, hides, metals, coal and crude oil)



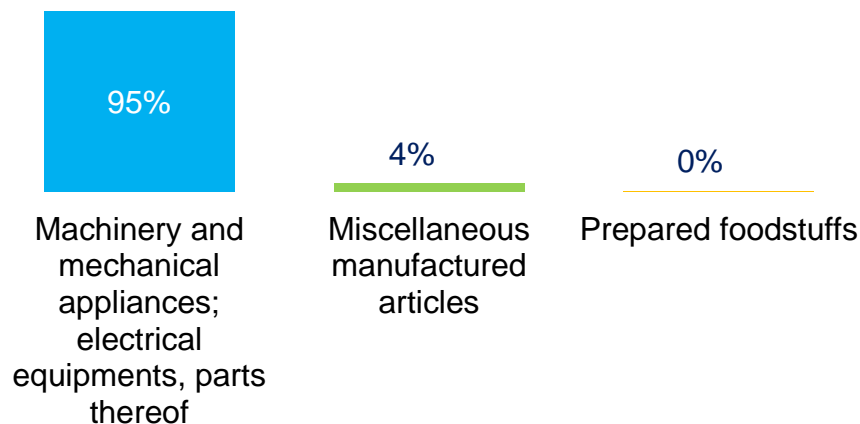
## Exports to Japan



## Biggest import partners



## Imports into Japan





## **JAPANESE COMPANIES COULD WORK IN MONGOLIAN MARKET**

### **INVEST TO MONGOLIA**

- ✓ Renewable energy
- ✓ Green technology and high tech
- ✓ FMCG
- ✓ Construction material production
- ✓ Health

### **IMPORT FROM MONGOLIA**

- ✓ Leather and hide production
- ✓ Cashmere and wool production
- ✓ Agriculture
- ✓ Bio preparations





## SIGNIFICANT POTENTIAL ON RENEWABLE ENERGY SOURCES

❑ Mongolia has a huge potential to export renewable electricity across Northern Asia.

## ECO CONSTRUCTION MATERIALS AND HIGHTECH HEATING SYSTEMS

- ❑ Harsh weather
- ❑ Air pollution
- ❑ Housing demand



**ORGANIC AND  
ECO PRODUCTS**

**CASHMERE AND  
WHOOOL PRODUCTS**

**SEABUCKTHORN AND  
WILDBERRY PRODUCTS**



**LIVESTOCK PRODUCTS,  
WHICH HERD IN OPEN  
PASTURE LAND**





## HEALTH SECTOR

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**69.6** Life expectancy  
at birth


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**60**  
MILLION\$

*Annual expenses by Mongolians  
for diagnostics and medical  
treatment in abroad*

*Mongolian health could not treat 24 kinds of illness and sends  
patients to the abroad.*

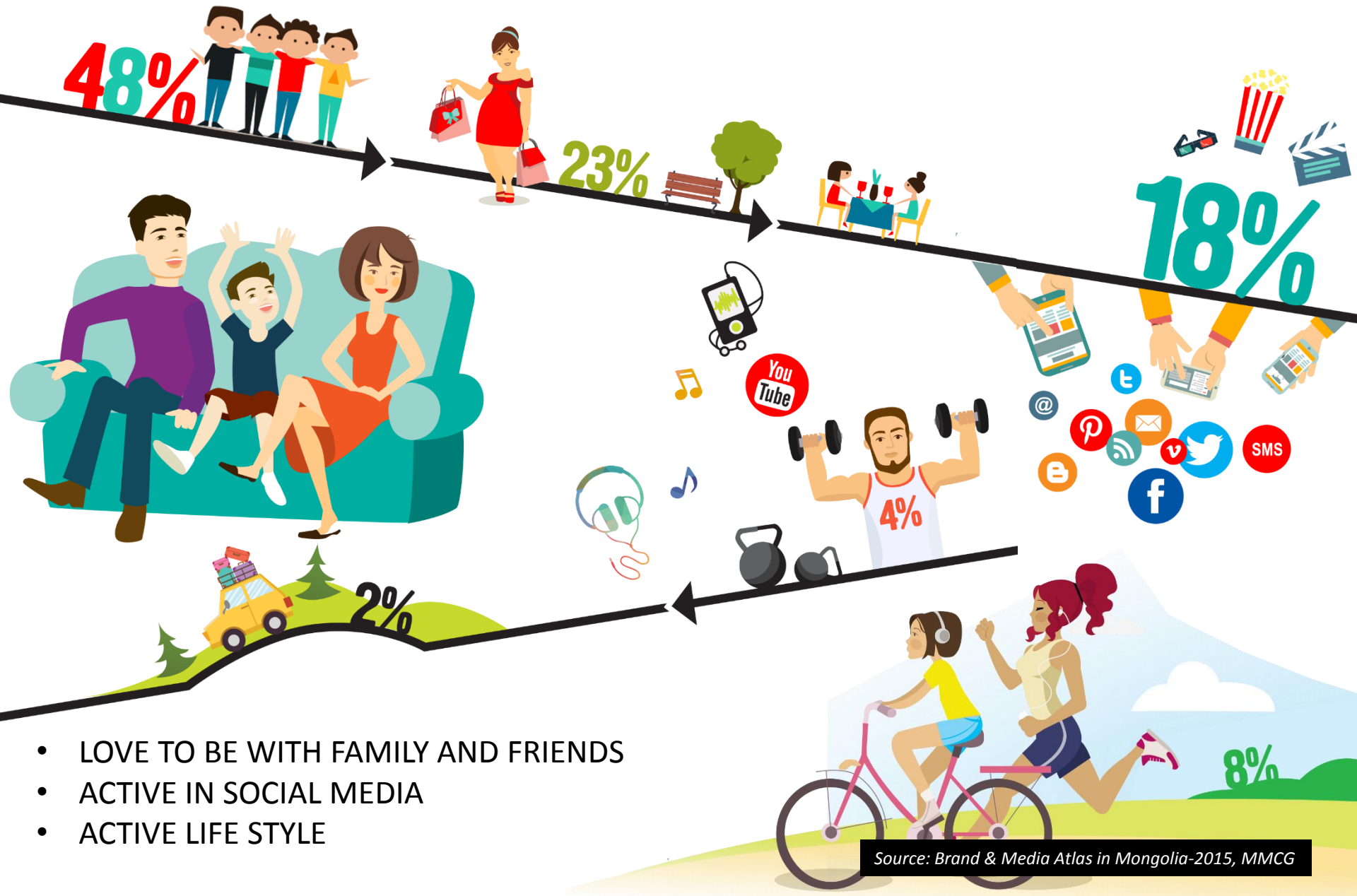


An aerial night view of a city, likely Santiago, Chile, showing a dense urban landscape with numerous illuminated buildings and a large stadium in the background. A semi-transparent dark blue rectangle is overlaid on the right side of the image, containing the text.

# **3. CONSUMER CHARACTERISTICS TO BE UNDERSTOOD**



# CUSTOMER LIFESTYLE IN URBAN



- LOVE TO BE WITH FAMILY AND FRIENDS
- ACTIVE IN SOCIAL MEDIA
- ACTIVE LIFE STYLE

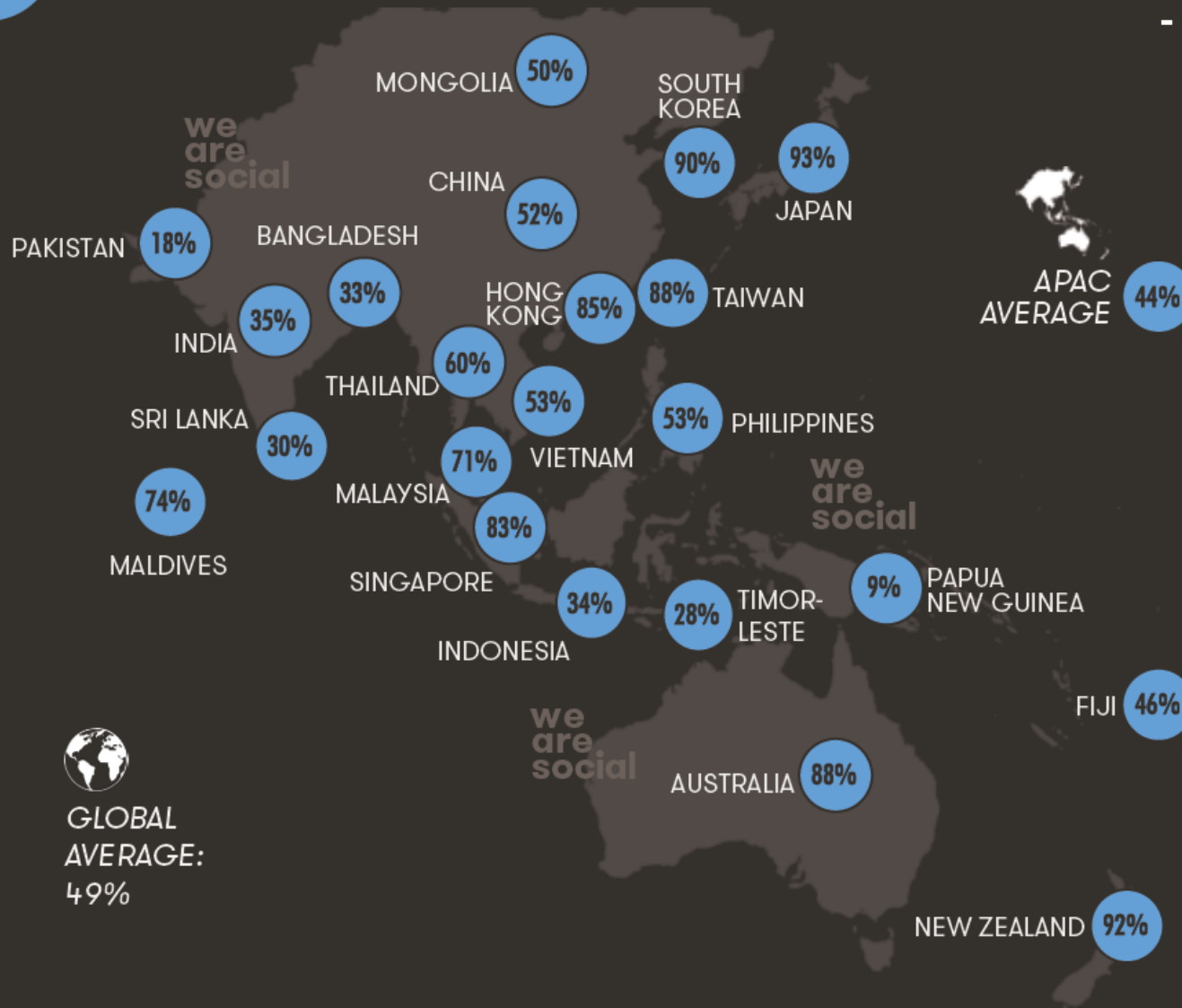
Source: Brand & Media Atlas in Mongolia-2015, MMCG



## APAC INTERNET USE

## Growth rate of internet users in Mongolia

- 136%
- Rank #3



Source: UN; InternetWorldStats, ITU, CIA



SEP  
2016

# DIGITAL IN MONGOLIA

A SNAPSHOT OF THE COUNTRY'S KEY DIGITAL STATISTICAL INDICATORS



TOTAL  
POPULATION



we  
are  
social

**2.98**  
**MILLION**

URBANISATION: 73%

FIGURE REPRESENTS TOTAL NATIONAL  
POPULATION, INCLUDING CHILDREN

ACTIVE  
INTERNET USERS



we  
are  
social

**1.50**  
**MILLION**

PENETRATION: 50%

FIGURE INCLUDES ACCESS VIA  
FIXED AND MOBILE CONNECTIONS

ACTIVE SOCIAL  
MEDIA USERS



we  
are  
social

**1.40**  
**MILLION**

PENETRATION: 47%

FIGURE REPRESENTS ACTIVE USER  
ACCOUNTS ON THE MOST ACTIVE  
SOCIAL PLATFORM IN THE  
COUNTRY, NOT UNIQUE USERS

MOBILE  
CONNECTIONS



we  
are  
social

**4.77**  
**MILLION**

vs. POPULATION: 160%

FIGURE REPRESENTS MOBILE  
SUBSCRIPTIONS, NOT UNIQUE USERS

ACTIVE MOBILE  
SOCIAL USERS



we  
are  
social

**1.30**  
**MILLION**

PENETRATION: 44%

FIGURE REPRESENTS ACTIVE USER  
ACCOUNTS ON THE MOST ACTIVE  
SOCIAL PLATFORM IN THE  
COUNTRY, NOT UNIQUE USERS

**DIGITAL  
GROWTH  
TRENDS**

**+136%**

SINCE MARCH 2015

**+27%**

SINCE MARCH 2015

**+54%**

SINCE MARCH 2015

**+41%**

SINCE MARCH 2015



# Key features of Mongolian customers

- This is tale of one city
- There is pride in Mongolian identity
- New is exciting
- Euro-Asian life style
- Young nation, but major purchasers are middle age
- Cheap is not appealing
- Affluent consumers are online and social
- Pace of progress is different
- Inform and inspire
- Demand can be volatile





# Key features of Mongolian customers



Sense of individualism is stronger. Good at individual sport



But family is extended and important for Mongolians.

Women have a strong voice in the home and the workplace



Quit risk averse, personal savings rates are low. People tend to spend money when they have it.



Luxury purchases mix of show and tastes

Overseas allure



Social media influence



## 4. MARKET RESEARCH SECTOR DEVELOPMENT IN MONGOLIA:



# FAST GROWTH IN SHORTEN PERIOD

26 years after shifted to market economy since 1990

1990-1996

## Transition Period

- Shortage of products
- Peddlers' and hawkers trade
- No knowledge on marketing
- Based on own experiences and intuition.

1997-2001

## Small business – National big companies

- Small business to formal legal enterprises
- Privatizations of state-owned enterprises
- New kinds of business services
- Marketing was only TV advertisement.

2002-2007

## Increase of competition

- Intensification of marketing
- Increase of marketing expenses
- Giving importance to the MR
- But only basic MR types: market potential analysis and customer behavior research etc.



2007-present

## Intensifications of economic growth

- Intensification of economic growth (17.5% in 2011)
- Big mining projects implemented
- Increased interest to invest to Mongolia
- International famous brands entered to the market
- Demand of MR increased
- New technologies and methodologies introduced

# MONGOLIAN MR SECTOR FEATURES



- Increasing supply, but still few national MR companies
- Small size of turnover, but also increasing rapidly: annually 3 mln. USD
- Increasing demand, especially from foreign investors
- Small companies: employs up to 25 full time researchers
- Recognized international professional standards and codes: ISO 20252:2012 & ESOMAR Code



# DATA COLLECTION METHODOLOGIES

## QUANTITATIVE methods:



F2F



CAPI



CATI



CAWI

## QUALITATIVE methods:

- ✓ Focus Group Discussion
- ✓ In-Depth Interviews
- ✓ Ethnography
- ✓ Customer Immersion
- ✓ Home using test

- ✓ Central Location Test (CLT)
- ✓ Social media monitoring

## NEURO Measurements:



- ✓ Eye Tracking
- ✓ Emotion Measurement

# FROM BASIC DATA COLLECTION AND ANALYSIS TO FULL MR COANCEPTS

PRODUCT CO-  
CREATION MODEL

SERVICE  
IMPROVEMENT  
MODEL

AD&LINK TEST

## PROCESS

1. *IDEA test – Creative study*
2. *Concept Test*
3. *Business Analysis*
4. *Product test /Pack & Blind & Home using test/*
5. *AD & Link test*
6. *Monitoring*
7. *Brand Tracking*





# Doing MR in Mongolia and challenges

- Data and analysis for market are not open and available to public
- Local companies known how and from where to get data and to do data analysis
- Cooperate with them data collection and analysis as local partners
- Find out MR Companies from professional association (MMRA) and ESOMAR listing

**ESOMAR**<sup>'13</sup>  
corporate

MEMBERSHIP  
CERTIFICATE

We hereby confirm that the following company  
of ESOMAR, the essential organisation for encouraging  
advancing and elevating market research world

MONGOLIAN MARKETING

# Doing MR in Mongolia and challenges

## But think about

- In low price but not good quality
- Using international standards and codes
- Big territory => national representative survey=> higher cost (F2F)

## Opportunities

- Using CATI=> Mobile phone penetration is high
- Relatively open to participate to MR survey
- Not so much concern on personal data and
- Trust to MR Companies is higher than APAC average (APRC Trust and Personal Data Survey)



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# DOES HORSE NEED TO SURVEY IN MONGOLIA?

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Answer: No, it does not  
But sometimes it may happen



ASIA  
PACIFIC  
RESEARCH  
COMMITTEE



MONGOLIAN  
MARKETING  
RESEARCH  
ASSOCIATION

WELCOME TO

# 2017 APRC

CONFERENCE IN ULAANBAATAR, MONGOLIA

