



# Poised for **GROWTH**

■ *Discover compelling foodservice opportunities in Latin America*

Gouvêa de Souza  
**& TECHNOMIC**  
Foodservice LATAM

Latin America has emerged as a leading foodservice growth region. The domestic foodservice market in Brazil alone has nearly doubled in size in just five years, and grew an impressive 13.5 percent between 2009 and 2010.

## Is it time for you to consider Latin America?

While the global downturn slowed the healthy growth that Latin American economies had enjoyed, the region weathered the downturn comparatively well and is posting a strong recovery, led by several commodity-exporting and financially integrated economies. The adjacent estimates from the IMF's 2010 World Economic Outlook demonstrate the potential of this region.

To help companies' expansion plans into Brazil and other Latin American foodservice markets, Chicago-U.S. based foodservice consultancy Technomic, Inc. and São Paulo-Brazil headquartered retail and marketing specialists Gouvêa de Souza (GS&MD) have created a new venture—**Gouvêa de Souza & Technomic: Foodservice Latam**.

## The opportunity: Brazil leads the region

Brazil is one of the fastest growing economies in the world. As one of the 'BRIC' nations<sup>1</sup>, the size of Brazil's economy is second only to China within this group. These countries have entered a new growth cycle buoyed by a growing middle class and consequently, expanding mass consumer markets.

- Brazil is now the world's **8<sup>th</sup> largest economy**, with a population of 195 million inhabitants.
- The IMF projects that Brazilian **GDP will grow an average of 5% per year** for the 2011–2015 period; making it the third fastest growing country in the world after China and India.
- **The growing middle class** in Brazil, one of the main drivers of BRIC growth, is today estimated to number 97 million, or around 52% of the country's population—a 10% growth since 2004.

## Brazilian foodservice: \$108 billion (US) in 2010 and growing<sup>2</sup>

As the world's largest exporter of beef, soybeans, coffee, orange juice, sugar and chicken, Brazil already has a well established food and agribusiness industry. With a strong infrastructure in place and a fast growing consumer market, the foodservice sector is one of the most dynamic in the region. It is poised for continued growth, with significant opportunities for expansion of organized foodservice concepts as well as continued concept innovation. The adjacent chart illustrates the size and development of the Brazilian foodservice market.

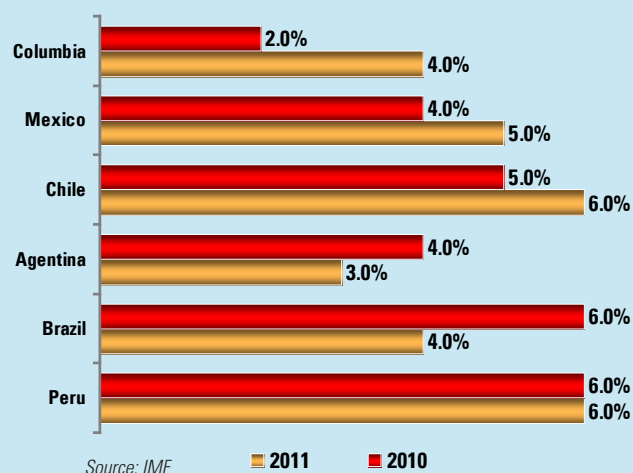
- More than 80 national food manufacturers with **over \$500 million** in annual revenue
- Several local large restaurant chains, with **10 brands that each generate over \$100 million** in annual revenues; Bob's is the largest local chain with 700 units.
- Major **international quick-service chains** already have a significant presence—including McDonalds (600 units), Pizza Hut (67 units), Burger King (75 units) and Subway (550 units).

<sup>1</sup> A term first used by Goldman Sachs, BRIC nations include China, Brazil, India and Russia.

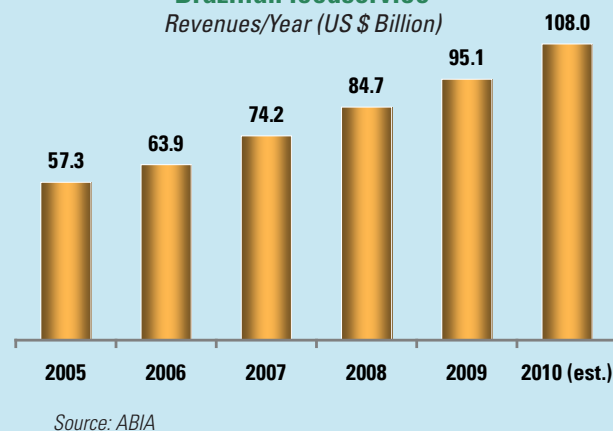
<sup>2</sup> According to ABIA (Brazilian Food Ingredients Association).



Latin American growth forecasts  
GDP Growth %



Brazilian foodservice  
Revenues/Year (US \$ Billion)



## Our expertise can power your growth strategy

Our *Foodservice Latam* offers U.S. food and beverage companies unparalleled access to insights and advisory services to help build Brazilian and Latin American businesses. Brazilian and Latin American food and beverage suppliers will also gain assistance in evaluating and developing business opportunities in the U.S.

Our products and services include:

- Consulting
- Publications & Newsletters
- Study Tours
- Industry Conferences
- Market and Segment Studies
- Market Entry Strategies

## Helping you successfully navigate Latin America foodservice

While the foodservice market in Brazil and other Latin American countries offer significant opportunities, due diligence and upfront evaluations are required before considering a move. These markets have complex and highly fragmented supply chains comprised primarily of small independents. In addition, the multi-cultural societies present a complex and often regional web of consumer tastes and preferences.

The deep industry and local market knowledge offered by Gouvêa de Souza & Technomic: *Foodservice Latam* provides the right tools and advice needed to devise a Latin American strategy. **We are the only company positioned to offer credible local market knowledge, fact-based insight and methodology-driven solutions for these markets.**

### Current offerings

#### Proprietary and Custom Consulting

- Opportunity assessment
- New product development assistance
- Strategic and growth planning
- Organizational performance improvement
- Trade channel management

#### Publications and Market Studies

- Chain restaurant profiles and tracking
- Market intelligence reports—by segments and menu categories
- Executive briefing reports
- Consumer habits and trend reports
- Trend, menu, and concept tracking newsletters

#### Study Tours

- Professionally conducted tours of foodservice companies
- Tailored tours to explore specific geographies, segments or channels
- Hands-on experience and immersion into areas of study
- Market research and presentations included
- Explore and learn trends, concepts and new opportunities

#### Market Entry Strategies

- Opportunity assessment
- Entry strategy options and viability studies
- Acquisition identification assistance
- M&A due diligence

#### Industry Conferences

- Professionally organized and topic driven
- Industry trends and directions
- Product showcases and innovations
- Keynote industry speakers and roundtables
- World class practice sharing and case studies



## Brazilian foodservice landscape: growing, highly fragmented and limited chain development

### Manufacturers

- Many large scale and well structured companies, including multi-nationals
- Some companies have dedicated foodservice divisions

### Operators

- Primarily independents, few organized chains
- Of the 140,000 total foodservice establishments, major chains account for only 4% of the total units

### Distributors

- Highly fragmented, more than 900 small and medium sized foodservice distributors
- Traditional retail/packaged goods distributors do not focus on foodservice

### Retail

- Large, organized market and significant chain retailing
- Limited focus on foodservice

## ■ Learn more

To discuss how we can help you tap into new growth opportunities, please contact:

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## ■ About us

**Technomic** is the most recognized and experienced consulting firm dedicated to the foodservice industry in the United States. Founded in 1966, we serve a broad and diverse base of domestic and international clients including multi-national restaurant chains, foodservice suppliers, distributors, private equity firms, trade associations, and advertising firms. In addition to custom research and consulting services, Technomic offers subscription-based studies and numerous periodical publications, newsletters and other information resources.

With offices across Brazil, **Gouvêa de Souza** is considered the retail expert in Brazil. Founded in 1989, we have been offering specialized consulting services in retail, marketing and distribution channels. We focus on a range of segments including food, beauty products, electronics and appliances, IT, telecommunications, apparel, footwear, home improvement, pharmaceutical, fuel, vehicles, auto parts, services and shopping centers.

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# TECHNOMIC

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