

TRENDS IN THE NEWS BULLETIN

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Top News

The Evolving Sourcing Ecosystem

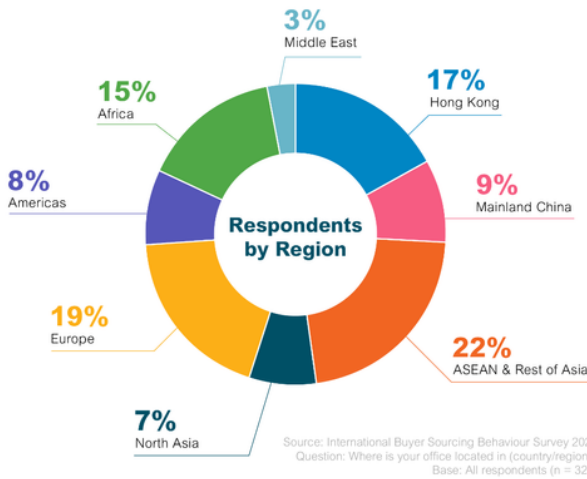
International Buyer Survey

Emergent Sourcing Strategies

From the acceleration of digitization to the process of disintermediation, the pandemic has expedited sourcing trends that have been evolving for years. Concurrently, changes in geopolitics, the European war, and conflicts in the Middle East are leading companies to reevaluate their sourcing strategies. This reassessment aims to construct supply chains that are not only more agile but also resilient in the face of uncertainties.



International Buyer Sourcing Behaviour

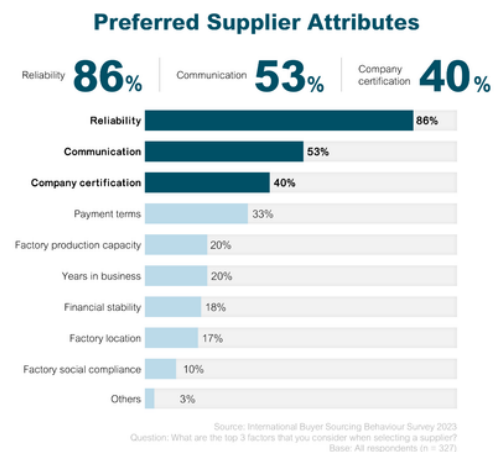


Shortened Sourcing Cycles and Higher Order Frequencies

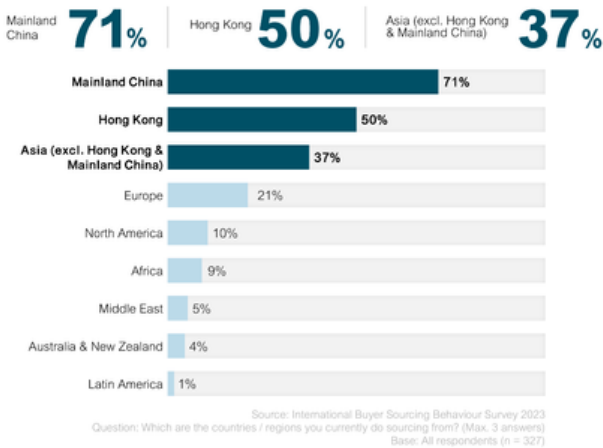
In the wake of the COVID-19 pandemic, the extensive disruptions experienced by supply chains compelled numerous buyers to extend their sourcing cycles, leading to a more cautious approach in placing orders. However, a notable transformation has occurred: in 2023, 50% of surveyed buyers engaged in product and service sourcing every 1-2 months, with an additional 24% opting for quarterly orders. With the alleviation of concerns related to pandemic disruptions, buyers now have the flexibility to transition from the "just-in-case" sourcing models that replaced the more efficient "just-in-time" paradigm during the pandemic. This shift is towards a more balanced approach, aiming to meet the evolving expectations of customers.

Three Essential Actions Suppliers Should Take to Fulfill the requirements of B2B Buyers

With supply chains facing heightened challenges, a substantial 86% of buyers across various industries express a primary preference for suppliers that prioritize reliability before initiating orders. Effective communication is identified as another crucial attribute, with 53% of buyers emphasizing its significance to foster collaboration and prevent last-minute surprises. Additionally, 40% of buyers highlight the importance of third-party certification, viewing it as a key factor that instills confidence in a supplier's quality and aids in meeting compliance requirements. Consequently, it becomes evident that trustworthiness in supplier selection is anchored in **reliability**, **responsiveness**, and **credibility**.



Sourcing Destinations



Most popular sourcing destinations

Research findings affirm that Mainland China maintained its status as the primary sourcing destination, as reported by 71% of surveyed buyers. Following closely are Hong Kong at 50% and Asia at 37%. Recent studies indicate a resurgence in China's appeal for EU and American firms, and the country is attracting notable attention from emerging regions like Latin America. Simultaneously, Southeast Asia is gaining popularity among European and American companies seeking to diversify their supply chains through the "China Plus One" strategy. This trend is attributed to the region's proximity to Mainland China, economic neutrality, and relative political stability. Furthermore, while China remains influential,

other Asian countries (Vietnam, Indonesia, Thailand and Malaysia) are ascending the value chain across various industries. This ascent is credited to factors such as abundant natural resources, a cost-effective yet skilled workforce, and the region's adeptness in adopting new technology.

The Transition to Comprehensive Omnichannel Sourcing: Favourite sourcing channels

Apart from obtaining products and services from current suppliers and manufacturers, buyers participating in the survey utilized additional channels for sourcing. These channels included physical trade shows (21%), referrals from trade partners (11%), and online trading platforms/virtual trade shows (10%). Notably, 88% of the surveyed buyers relied on a diverse range of channels to meet their sourcing needs. This shift indicates a synergy between offline and online channels, with buyers utilizing different platforms at various stages of the sourcing process, from supplier exploration and assessment to the final order placement. In light of this trend, suppliers aiming to secure orders must develop compelling omnichannel sales strategies.

Sourcing Channel Diversification



Hong Kong and Mainland China remain the top physical trade fair destinations

While the allure of omnichannel is undeniable, in-person trade fairs continue to be a vital platform for buyers seeking to physically inspect and assess products, acquire fresh business perspectives, and cultivate their professional and social connections with sellers and fellow buyers. Notably, since the conclusion of the pandemic, physical fairs have made a robust comeback, spanning from the US to Hong Kong. According to research, Hong Kong (75%) and Mainland China (60%) maintain their status as the favored locations for international buyers engaging in physical trade fairs. This preference has consistently emerged across multiple surveys conducted over the years.

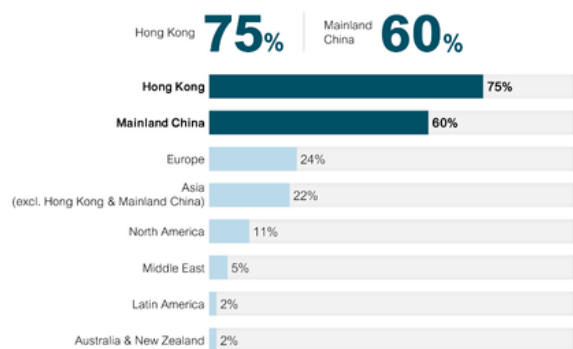
International Buyers See Bright Short To Mid-Term Business Outlook

Confronted by the complexities of the current market,

numerous businesses continue to encounter restrained growth as they navigate the path to recovery from the pandemic. As we entered Q1 of 2024, we have inquired with buyers regarding their sourcing experiences in the current environment and their expectations for business performance in the short term (6-12 months) and the mid-term (12-24 months).

In the latest findings, Lynkxs observes that the majority of international buyers envision their companies adopting a relatively conservative approach as they enter the new year. Companies are anticipated to maintain their current trajectories, with buyers foreseeing gradual, yet substantial, advancements in the coming months.

Major Trade Fair Destinations



Source: International Buyer Sourcing Behaviour Survey 2023
Question: Which are the top 2 destinations that you will visit for physical trade fairs?
Base: Respondents who plan to visit physical trade fairs in the future (n = 317)