

The market support for small producers in Africa



A priority for the Trade for Development Centre

Ugandan women at work (NAWOU) © Ten Thousand Villages

The beekeepers and weavers in Tanzania, the coffee growers and the craft women in Uganda: they all share their motivation and pride about the products they make. But they hardly know which consumers are willing to pay a fair price for their products. The Trade for Development Centre coaches them in marketing.

Uncharted territory

“Where can we find potential customers and how do we best communicate with them? My experience tells me that these are really difficult questions for many producers in Africa. Marketing is often uncharted territory for them, and that is why many opportunities are lost.”

We spoke to Josiane Droeghag, who, since 2009, has been the Marketing and business management Officer of the Trade for Development Centre (TDC), a programme of Belgian development agency BTC. In the beginning she mainly provided marketing advice within the governmental programmes of the Belgian Development Cooperation, but gradually the TDC developed a framework specifically for marketing support projects.

Pure honey

In a remote corner of Tanzania, near the border with Burundi and Congo, farmers try to boost their revenue by selling honey. Their beehives are placed deep in the forest where pure high-quality honey is produced. Traditionally, this honey was sold, usually in recycled cognac bottles, at very low prices to travelling middlemen.

In 2005 BTC launched a project, which included these **beekeepers of the Kigoma region**, together with partner country Tanzania. In a first phase investments were made in new beehives, better collection techniques and solutions for packaging and labelling, all of which helped improve quality and production.

What is marketing?

We can define marketing as the set of actions that aims to know, predict and possibly stimulate the needs of consumers with respect to goods and services, in order to adapt the production and commercialization to these needs (translation from Larousse). A marketing mix is based on 4 P's:

- Product: how can I improve my product?
- Place: where do I find my consumer?
- Price: what is a good value for my product?
- Promotion: how can I best communicate with my target group?

It is a misconception that marketing is solely about sales. Sales come after the marketing phase.

But the poorly structured cooperatives seemed to be stuck in a vicious cycle: due to their lack of funds they could not buy large volumes from their members and without large volumes they could not attract major contracts and without major contracts they could not get advantageous loans from the bank. As a consequence, the members continued to sell their honey directly to anyone willing to provide them with immediate cash, usually without any form of contract. After all, they needed the money urgently to purchase food and clothing or to send their children to school.

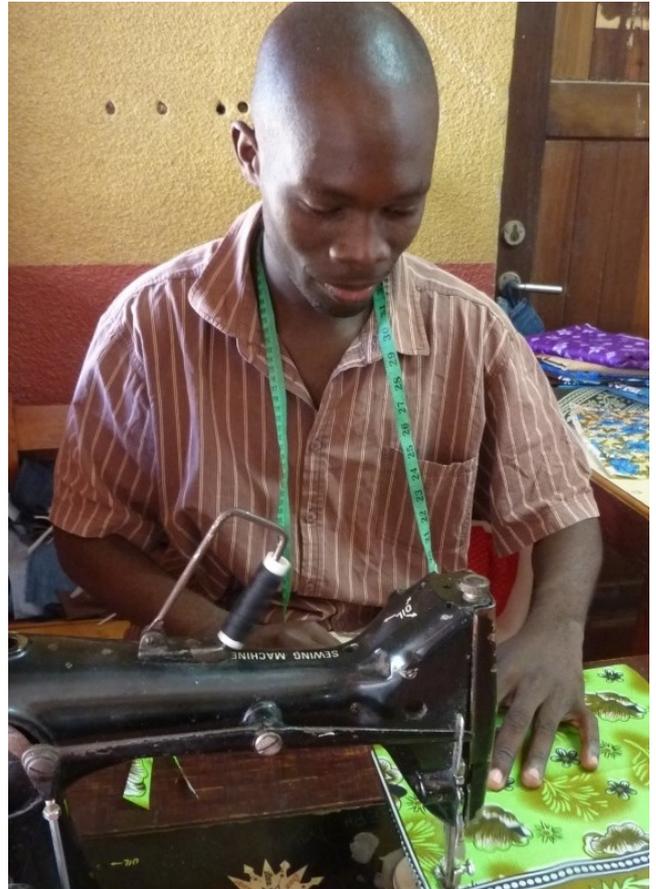
The TDC was asked to help end this vicious cycle. A minor market study in the capital city showed that people were unaware of the high quality of Kigoma honey. The product needed a better positioning and a new, positive story had to be written. In 2012, the local BTC team organised a *Honey Show*. Because of the remoteness of the location only a handful of potential buyers found their way to the venue. However, radio and TV stations did manage to make their way there. For the beekeepers this event was an important step. "They learned a lot, most of all of each other and about the market, the value chain and prices. They understood that they had to tell a story about their honey and that they had to focus on quality. In short, they started thinking about marketing," concludes Josiane Droeghag, who evaluated that first edition of the *Honey Show* and advised on later editions.



A beekeeper from Kigoma proudly displays his harvest at the first Honey Show © TDC/Josiane Droeghag

Local market

In 2012–2013, the TDC ran a number of market support pilot projects in East Africa with both farmers' cooperatives and crafts organisations. One of the partners was **GOIG (Getting Old is to Grow Society)**, a vocational school in Dar es Salaam that generates part of its revenue by selling the craftwork of its best pupils and crafts people. As a certified member of the World Fair Trade Organisation (WFTO), GOIG was in contact with fair trade outlets on international level. But the managers were looking for other outlets, amongst others the local market.



A GOIG's member at work © TDC/Josiane Droeghag

We worked intensively during a one-week workshop on developing a strategy and a marketing plan," explains Josiane Droeghag. "But the problem in Africa is that hardly any market research has been done. So, we did a limited survey, which showed a certain aversion in East Africa for cheap Chinese products as well as a certain pride in local products. Yet, because of the price difference, the latter is often preferred. Conclusion: there is a market for local products if they can position themselves between the expensive European and the cheap Chinese products. That is what GOIG set out to work with."

Some concrete possibilities were explored, potential customers were approached and communication materials were developed. A first series of professionally designed bag packs for children were presented in the beginning of 2014 to local schools and at a fair in Germany. It immediately led to a first contract. Woven table mats for hotels and restaurants are also a spearhead product. Of the four hotels contacted in Arusha two became customers. Obviously, these early successes encouraged the organisation to pursue this course of action.

Coaching

“These pilot projects – which received ample attention from other African WFTO members – taught us that there is a clear need for this form of development cooperation,” claims Josiane Droeghag. “The fair trade movement offers forms of marketing support but they are exclusively export-oriented. In other words, there still was a ‘market niche’ for us. That is why we developed a model with a coaching itinerary that lasts a year or more. First, we sit down together to think about the strategy that best suits the organisation. Afterwards, we coach the organisation in implementing the plan. Because not everything goes smoothly from the start.”

At the end of the itinerary the organisation can submit a project proposal for up to 15,000 euros. That is to allow them to start the implementation of their communication and prospection plan. In 2014 the model was applied at a larger scale for the first time. To this end, the TDC recruited a few external coaching consultants who are specialised in marketing.

The marketing support itinerary

Part 1: Strategic marketing

- Analysis of competition and of own strengths and weaknesses (organisation, product offer, quality, packaging, price strategy, sales outlets, communication, ...)
- Outlining the strategy
- Determining a marketing mix and a prospection plan

Part 2: promotion and sales

- How to approach a customer ? Development of presentation materials, brochures, website...
- Drawing up a marketing budget.

Own story

At the end of 2014, coach Christine Englebert twice visited the Ugandan coffee cooperative **BOCU (Bukonzo Organic Farmers Cooperative)**, a young organisation that is gradually turning from an NGO into a cooperative and coffee exporter. A first workshop with the enthusiastic BOCU team resulted in a strong SWOT analysis and a detailed plan of approach for 2015. The cooperative has 2000 members and a lot of potential. It recently obtained organic and fair trade certification. But there is still a lot of work to be done in respect to quality, organisation and logistics.

It was decided to link the sales story to emotional aspects: “We are like a family that takes care of our farmers, our coffee and our hills”. Three goals are key in BOCU’s marketing plan. First, improve the relationship with the members, get a better understanding of their problems and inform them better. This should motivate members to sell a larger share of their crop to the cooperative. In addition, investments in the local washing stations and storage facilities will lead to better quality in the final product. This is an absolute condition for the main goal: finding extra customers in the growing European market of *arabica speciality coffees*.

To achieve this by the end of 2015 the existing ties with British fair trade organisation Twin must be strengthened but new prospects must also be actively looked for. More sales at organic or fair trade conditions means more revenue.

Participation

During the second coaching module, we worked intensively on the content and form of the communication materials: business cards, posters, folders, sales brochures and of course a website. “The difference between the first and the last day of the workshops was significant,” says Christine Englebert who evaluated the process. “They understood very well that marketing is more than advertising and that you first have to consider your target audience and message. The participatory approach of the TDCs was very new to them. As their coach I helped them to reflect and come up with ideas themselves. My role was to provide orientation and structure. The result is a marketing plan that is really theirs, on which they worked with great enthusiasm.”



Thinking about marketing at BOCU © Christine Englebert

Marketing mix

Our second case is also in Uganda. **NAWOU (National Association of Women Organisations Uganda)** is a major NGO that is rooted in the women’s movement. Its marketing unit is responsible for the economic projects, in particular the sales of handicrafts and artisanal crafts. 90% is exported to a limited set of fair trade customers in Europe, Australia and North America. The remaining 10% are sold through two shops in Kampala and their own shop across from the National Museum. “We are passionate about product development, but we lack a marketing strategy and a well thought-out price policy, sound communication or a website of our own,” was the conclusion of the team at the end of the first session. With the necessary input of coach Daniella Mastracci – who works for SWIFT (Swaziland Fair Trade) – a marketing mix for the local, regional and international market was discussed in detail.

The key messages chosen for NAWOU were ‘*hand-made, fair trade and empowering women*’. Currently, the Kampala customers consist mainly of tourists and expats. By refreshing the product range and after a thorough metamorphosis of their own shop into a *showroom* and after prospection of other *craft shops*, customers should be easier to reach.

There are also regional, East African opportunities. A growing group of African consumers has opted for local products to decorate their homes. *Bark cloth*, for instance, is unique to Uganda. It is a textile that is made of the inner layer of the bark of a local fig tree. This cultural piece of heritage can be used more prominently. For international customers the range must be adapted to 'contemporary fair trade customers' on the one hand (i.e. more adventurous, more contemporary colours) and to the 'ethnic design-focused buyer' who looks for nice, African products. This was transposed into a marketing budget and a briefing for a communication bureau that was commissioned to design a new logo, new presentation materials and a new website.

"The positive thing about this TDC itinerary is that it takes the time needed for reflection," concludes Daniela Mastracci. "NAWOU had the time to learn through me how other African organisations deal with these kinds of challenges. And I was given the necessary time to assess

them properly. The beginning was not easy, but it was fascinating to see how they started taking matters into their own hands during the last session."

Midwife

"We certainly don't aim to copy a multinational's major marketing model," concludes Josiane Droeghag. "What we do is listen to local producers and translate their story to a level where they can themselves think about a strategy. They know their product and their culture best. We are like midwives who help them come up with the best ideas. That way, they can make the most of the social and sustainable development of their organisation.

After all, the goal of our intervention is not trade, not selling for the sake of selling, but trade for development."



Nawou is a strong NGO rooted in the women and working now on a marketing strategy © NAWOU

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Sources:

- Project requests, evaluations and reports of the Trade for Development Centre.
- Interviews with Christine Englebert, Daniella Mastracci and Josiane Droeghag.
- Kigoma: www.btctb.org/files/web/project/flyer/TANZANIA_Beekeeping_Web.pdf.
- GOIG: www.goigsociety.org.
- BOCU: currently still via jmicoffee.org/bukonzo-organic-farmers-co-operative-union-bocu; in the course of 2015 their own website will go online.
- NAWOU: www.nawouganda.org.