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HELPING SRI LANKA TO GROW!

AgEnt is a dynamic USAID funded private sector agro-enterprise development initiative successfully assisting companies and entrepreneurs with viable business/marketing plans to expand existing operations or start-up new ventures targeted at both domestic and export markets.

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MEDIUM : SMALL : MICRO SIZE EXPORTERS

CORRECTLY POSITIONING/BRANDING YOUR PRODUCT CAN
BE ONE OF THE KEYS TO EXPORT SUCCESS !

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BACKGROUND

In the first article (Sep/Dec 1994 issue) we looked at how to persuade a calibre importer/distributor to take-on and market your product line; whilst this second article in the series illustrates how to ideally position/brand a product in the ethnic foods export sector , which is rapidly growing in many major developed country markets , but where Sri Lanka's present markets penetration and share is insignificant (and predominately targeted at the small overseas Sri Lankan ethnic communities).

BRIEF UNITED KINGDOM ETHNIC FOODS MARKET/GROWTH DYNAMICS

By and large the following dynamics apply to many other fast growth developed country ethnic foods markets where Sri Lanka likewise has untapped marketing opportunities; bearing in mind that AgEnt's Business Information Center has freely available a large amount of competitive marketing data covering the ethnic foods export sector of likely interest to both existing/potential exporters.

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Against this background, let's very briefly take a look at the United Kingdom ethnic foods market (which covers ingredients/accompaniments/ready made meals/side dishes/meal centers/snacks etc !) i.e.

1. The UK market has grown dramatically in recent years and is understood to be worth well over £400M at retail selling prices; with Indian ethnic foods accounting for nearly 50% of market share, with a number of other ethnic food types (such as Chinese, Thai, Indonesian etc) also demonstrating strong growth trends.
2. According to reasonably up-to-date U.K. figures, around 50% of the country's population is now made-up of ethnic minorities with the Indian/Pakistani/Bangladeshi/Chinese sectors accounting for 60% of the former percent (or 1.5+ million). However, Sri Lanka did not score a " country name mention " in statistics sighted by AgEnt.
3. Both the mainline import/retail trades confirm that real growth in the ethnic foods market is starting to come from the much larger non-ethnic sector of the population i.e. particularly the more youthful (well heeled) consumers who have tried new, more adventuresome food tastes for a wide variety of reasons (i.e. overseas travel to exotic destinations, strong products promotion from the plethora of companies seeking to " grab a share " of this burgeoning sector, easy to use recipes and convenience prepared meals, the tremendous/ever increasing range of ethnic food restaurants which have opened-up over the last 5/10 years in particular etc).
4. Whilst a number of big brands/companies (i.e. Sharwoods, McCormicks, Patak's, BE International etc) hold the major share of the ethnic foods market in their respective sectors, the U.K. import/retail distribution structure still offers a country such as Sri Lanka many export marketing opportunities for high quality/correctly positioned and branded ethnic foods in consumer glass jar/canned packs aligned with the following product sectors - pickles/pastes/chutneys/sauces/ingredients/curries etc.

5. Interestingly, the lion's share of Indian ethnic foods sold in the U.K. are manufactured in that country, where many of these selfsame producers have also succeeded in building substantial export markets as far away as Australasia !

THE NEED (AND JUSTIFICATION) TO STRONGLY POSITION (SELL) SRI LANKA'S MARKETING EDGE (CHART COMPONENTS A./E.)

Those of you who may have closely studied the label fronts of the majority of Sri Lankan ethnic food export products at an instore (on the shelf) level in overseas markets versus leading other country competitive brands, cannot have failed to notice that little serious attempt has been made to strongly identify/promote Sri Lanka's more than 2000 year old culinary history as the fabled Spice Island.

This is a critically important country image/marketing benefit (unique selling proposition) which the Sri Lanka ethnic foods sector has yet to capitalise on; and if properly handled would enable this country's ethnic food products to truly " stand out " from the crowd and give consumers a sounder reason to at least first time trial a brand.

THE IDEAL BRAND NAME (CHART COMPONENT B)

The " Baba's " brand name illustration we have given in the front of label concept components chart is simply meant to highlight that -

1. It is always preferable to have a short brand name which can be clearly/ strongly featured on the label.
2. Preferably, select a brand name which is simple/pleasant to pronounce and unlikely to create any offensive meaning in target export markets; and ideally connote the benefits of a Sri Lankan image association/feeling as a further point of marketing difference etc.

**THE STATEMENT " ORIGINAL, AUTHENTIC AND TRADITIONAL RECIPES "
ARE IMPORTANT CLAIMS TO MAKE (CHART COMPONENT C.)**

There is sufficient qualitative market research available to pinpoint that consumers purchasing ethnic foods for the first time, are seeking products with recipes which can genuinely claim to have a sound degree of " originality, authenticity and traditionality etc " behind them; even though they may not have been manufactured in their country of origin. Such key product " selling statements " (if they can be substantiated) should certainly appear on the front of the ideal brand label.

**MAKE A CLEAR PRODUCT DESCRIPTION STATEMENT (CHART
COMPONENT D.)**

It is equally important that an exporter should offer on the front of the label a clear product description (i.e. Kebab Paste for grills and barbecues). An unusual foreign sounding product name (i.e. Achcharu) without describing product use, becomes meaningless to the non Sri Lankan consumer in overseas markets who is looking for a specific type of product/ingredient etc to satisfy a cooking or accompaniment need.

**OTHER IMPORTANT PRODUCT LABEL (SIDES AND REVERSE)
REQUIREMENTS AND PROMOTIONAL OPPORTUNITIES**

The majority of Sri Lankan ethnic food export brands sighted by this advisor have simply not taken full promotional advantage etc of the space offered by a complete glass jar/can wrap around label; particularly at a label sides and reverse level.

Typical illustrations of how exporters can capitalise in this context (and without cluttering up the front of the label with less important statements) include -

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1. **Itemisation of all product ingredients.**
2. **Manufacturers/exporters name and address (including both fax and telephone numbers).**
3. **Describe at least one easy/appealing to prepare recipe or detail expanded use of the product.**
4. **Offer a free recipes leaflet (which promotes full products range use) to those who " write-in " . Label promotion in this context has often provided one of the least expensive/most successful forms of advertising for brands who do not have funds available for below and above-the-line marketing activities.**
5. **Establish and detail product nutritional information per serving/per 100 gm in terms of energy/protein/fat/carbohydrate. This is an area of considerable interest to many of today's health conscious consumers (and in some markets it is becoming increasingly mandatory).**
6. **Ideally secure/print a bar code number, for this can often assist a product range to widen export markets distribution and penetration (particularly at a volume supermarkets level).**
7. **Print date of manufacture/best by use date and manufacturing batch number.**
8. **Qualify whether product should be refrigerated after opening.**
9. **Preferably print the product sales story/variant and its use in more languages than 1. (certainly English/German in a European markets context).**
10. **Ideally obtain/show a Sri Lanka Standards Institution mark.**

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TYPICAL IDEAL/ON TARGET FRONT OF ETHNIC FOODS PRODUCT LABEL COMPONENTS IN A SRI LANKAN EXPORT COMPANY/COUNTRY IMAGE POSITIONING CONTEXT

We have illustrated in the chart which follows this advisor's belief of now a number of existing/potential Sri Lankan export brands could strengthen their product label positioning/selling strategy. The type weight of each component does not necessarily have to follow this identical format; bearing in mind that the final creative design of an ethnic foods label is equally important when seeking to promote a product which " stands out from the crowd " and can create a high propensity to be purchased.

THE SMALL SCALE ETHNIC FOOD PRODUCERS EXPORT MARKETING OPPORTUNITY

Next, AgEnt has believed for some considerable time that an excellent export marketing development opportunity exists in this sector, where up to 15 small scale producers would be selected to produce 1/2 specific product variants to a given, high quality export standard under one and the same " umbrella " brand name. Export marketing responsibility for the " umbrella " brand would be vested in an identity (as an illustration) called " The Sri Lankan Ethnic Foods Marketing Company " , which would be 50% owned by the participating small scale producers, who would thus earn profits at both a production and export marketing level. There are many reasons why such a strategy should offer excellent returns to both small scale producers (many of whom lack the resource/marketing clout necessary to succeed in export marketing) and the 50% strong Lankan private sector exporter who would be responsible for export consolidation/shipment/marketing. However, the restricted space within this article does not allow expansion of this exciting, potentially profitable ' high value ' export marketing possibility.

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SUMMARY

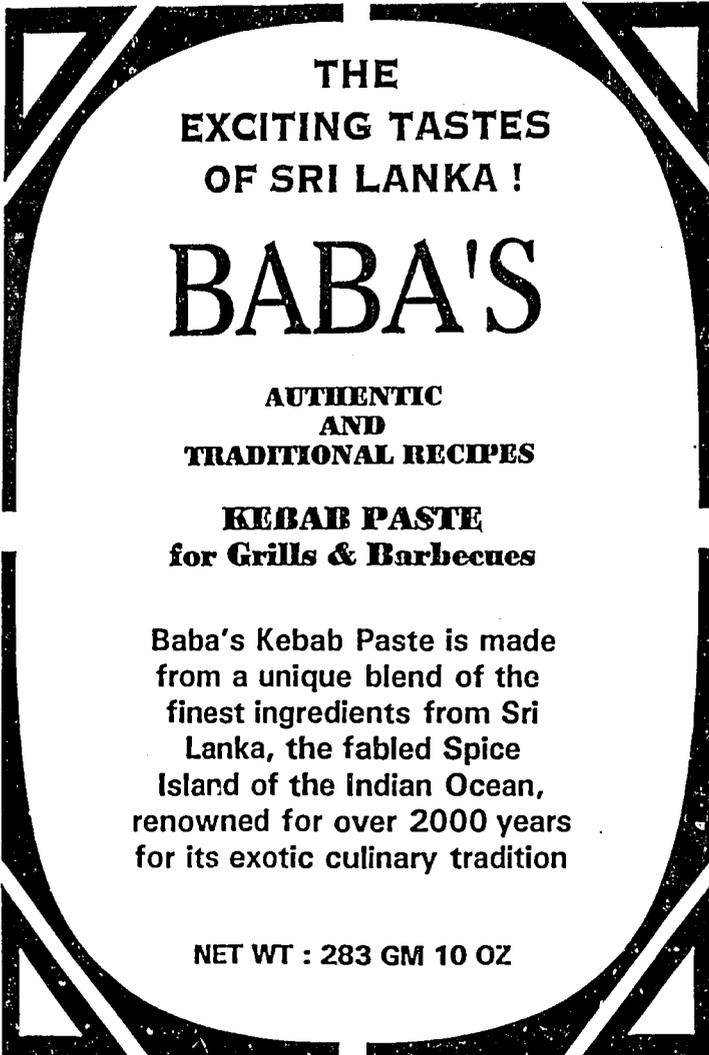
This brief article has majored only on the critically important marketing mix component of how to strengthen the label positioning/branding of Sri Lankan ethnic food products in export markets, which if handled correctly can greatly assist an exporter to increase sales in existing markets and penetrate new markets (provided, of course, they can offer the right range mix, excellent product quality and a competitive - but not necessarily cheap - price !).

Future articles in this series will look at how to produce a superior quality products range (mix) with a distinct marketing edge and to introduce/promote/sell your product successfully at trade fairs.

CHART ATTACHED HEADED -

**Typical Ideal/On Target Front of Ethnic Foods Product
Label Components in a Sri Lankan Export Company/
Country Image Positioning Context**

**TYPICAL IDEAL/ON TARGET FRONT OF
ETHNIC FOODS PRODUCT LABEL COMPONENTS IN
A SRI LANKAN EXPORT COMPANY/COUNTRY IMAGE
POSITIONING CONTEXT**



**A. PHASE 1
SELLING OF THE
LATEST EXCITEMENT*
OF SRI LANKA**

**B. CONCEPT A
STRONG/INOFFENSIVE
PLEASANT SOUNDING
SHORT BRAND NAME**

**C. STRONGLY
PROMOTE THE
AUTHENTICITY/
ORIGINALITY ETC
OF THE COMPANY'S
PRODUCT RANGE**

**D. CLEARLY
IDENTIFY THE
PRODUCT VARIANT
WITH CONSUMER
USE/APPLICATION**

**E. FURTHER SELL
/REINFORCE THE
QUALITY OF THE
COMPANY'S PRODUCT
LINE AND UNDERPIN
WITH STORY OF SRI
LANKA'S CENTURIES
OLD CULINARY
HISTORY**

**F. CLEARLY STATE
PRODUCT NET WT**

(*) The product label components/
illustrative border do not constitute
a finished label design as such