



V.1 Objectives

To increase market and potential customers' awareness of the high quality and diversity of South African floricultural products through the use of agents and an international network of "champions"

V.2 Background

Currently, floricultural sales are hindered by:

- The fact that South Africa has no permanent "on the ground" presence in target markets
- Low market awareness of products due to insufficient volumes of product samples in the market
- Agents work for individual exporters rather than on behalf of the whole industry
- The industry only has limited links with South African representation abroad
- Low awareness of South African product in the supermarket channel due to limited "direct" sales to multiples in the past

In conjunction with marketing and packaging, sales is key to altering market perceptions about South Africa's floricultural products. Currently, the greatest problem lies in the fact that the marketplace has not been exposed to enough and differing types of product. Whilst individual exporters and growers who have the resources to do so, have taken the time to visit prospective buyers and deliver product samples, there has been no focused approach. For this reason, there is a certain awareness level in the marketplace but the only way to significantly increase this is through increased physical presence in conjunction with image shaping marketing, etc.

V.3 Areas for strategic focus

V.3.1 Specific initiatives

**1. INCREASE
VOLUME OF
PRODUCT
SAMPLES IN
TARGET
MARKETS**

**2. CREATE
INTERNATIONAL
NETWORK OF
FLORICULTURE
“CHAMPIONS”**

Initiative 1: Increase the amount of product samples in target markets

Context

In the floriculture industry, customers most often want to receive samples from the suppliers in person. It is essential particularly when establishing new relationships that this is the way the sample is delivered.

Until now this delivery of samples has only been done on an individual exporter basis for growers who have the resources to fund face-to-face visits. In growing the industry however, there are many hundreds of emergent farmers who will be joining the industry and who do not and will not have the resources to fund yearly visits to the marketplace, particularly at the beginning of their operations.

Key action steps

The industry therefore needs to appoint someone to act on behalf of the industry and the growers who are unable to get their products to their customers face-to-face. This should be someone who is familiar with the target markets and can act as an agent for all the product types. As the industry shifts to more direct selling into markets and into supermarkets this role is increasingly important. Whether this is one person who travels between markets or one agent in each market, the critical element is that all product types have equal exposure. The primary role of this person will be to open doors and lay the groundwork for South Africa products to enter the various sales channels in each market. However, as the on the ground presence, the agent can also act as a market trend indicator and feed information back to South Africa with regards to colour preferences and other

market trends spotted which the industry can use for strategic planning purposes.

The agent must therefore be involved on the supply side as much as on the demand side in the markets. In South Africa the agent can advise on production planning and R&D to ensure that South Africa continues to export and develop the right products for each market.

Additionally, buyers in target markets should be invited to come to South Africa and see the diversity of products offered and the infrastructure in place to ensure that it reaches the market as efficiently as possible. This is already happening on a limited basis and will be key in building relationships, particularly with supermarket buyers.

Market specific recommendations

The overall approach of face-to-face product introduction stays the same in each market, but there are differences in terms of the appropriate channel to use for each product type from market to market.

Germany – Foliage and indigenous products are generally sold through florists although as the supermarket channel develops the emphasis will start to shift. For supermarkets then, it will be necessary to start with traditional products and bring in limited amounts of indigenous product in the short term.

At the same time, florists will begin to recognise the high quality of traditional products and start to buy them, as well as the indigenous South Africa products. In short, sales through the supermarket channel must lead with traditional and indigenous will follow, whilst in the florist channel, indigenous products will carve a niche for traditional products to follow.

UK – High end products (such as South Africa's indigenous products) are currently sold primarily through the traditional florist and wholesale channels. Traditional products are sold through the supermarket channel, which is more developed in the UK than anywhere else in Europe. As the channel continues to develop there will be a demand for more high end products and South Africa must therefore begin forging relationships with buyers at the main supermarkets immediately.

Japan – The Japanese market is evolving from a predominantly specialist retail channel focus to a supermarket dominated market

particularly for high end products (including South Africa indigenous products). South Africa must therefore begin to develop relationships with buyers at Japanese retailers in order to find out their requirements.

Initiative 2: Create an international network of South Africa floricultural “champions”

Context

In order to maximise its resources in creating an increased awareness of South Africa product, the floricultural industry must tap into existing resources abroad as well as cultivating new contacts. These resources (which consist of Government initiatives aimed at representing South African products overall, as well as private sector partnerships), are a valuable way to increase awareness of South Africa as a world-class supplier of floricultural products.

Key action steps

In order to build a network, the industry must establish what types of organisations to target abroad and begin developing relationships with them both in South Africa and in the target markets.

Government departments such as the DTI, for example, provide an excellent source for international representation. DTI trade reps abroad are able to provide that market with information on South African products. These trade reps are a valuable and inexpensive way to ensure that South Africa floriculture gets market exposure. Currently, DTI trade reps are trained in South Africa before they are initially posted and are updated once a year thereafter. It is essential that these trade reps be armed with knowledge about floricultural products and that South African flowers remain “top of mind.” Personal relationships are critical here and could include gestures such as sending the trade reps or their spouses flowers for special occasions, etc.

Holland’s floriculture industry provides the perfect example of using a Government network to support its interests abroad.

Private enterprise partnerships represented by bodies such as South African-German Chambers of Commerce, for example also provide a link to foreign markets and another outlet to use in increasing awareness of South African floricultural products.

V.3.2 Key responsibilities

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| Lead | Industry-wide bodies | <p><u>Use of agents</u> – SAFIC to identify the agents who will act on behalf of the industry in exposing target markets to the full range of South Africa floricultural products. Once the agent(s) has been appointed SAFIC will maintain close communication with them on behalf of its members and feed back information about prospective customers and market trends to its membership base. Additionally, SAFIC should maintain lists of customers and agents overseas for membership referral and encourage members to recommend each other and other South Africa floricultural products to potential customers. In terms of the buying trips, SAFIC should continue to invite major buyers from the target markets to tour the country and evaluate South Africa's infrastructural capabilities.</p> <p><u>Champion network</u>- SAFIC needs to take responsibility for briefing South Africa international resources such as the DTI trade reps about its products and capabilities.</p> |
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Growers play a crucial role in providing the agents and champions with timely and comprehensive product and delivery capability information.

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| Support | Growers | <p><u>Use of Agents</u> – Recommend any reliable known agents who may be appropriate to act as industry representatives. Work closely with agents to identify target channels in each market and convey past experiences (both good and bad) in that market.</p> <p><u>Champion network</u> – Provide industry-wide bodies with accurate, up-to-date product and contact information. Feed any contacts or relationships with South Africa representatives abroad to SAFIC.</p> |
| | Government | <p><u>Champion network</u> – DTI, NDA and Foreign Affairs to work together to form world-wide network of “sales agents” or floriculture reps knowledgeable about diversity and quality of South Africa floriculture products.</p> |

V.4 Implications for other agricultural sectors

The following sales issues should be explored from a pan-agricultural perspective:

- **Agents**

The floricultural industry will be increasing the amount of samples in its target markets (and therefore the overall awareness of South Africa’s high quality floriculture products) by employing agents to work in the target markets and open doors to new customers.

As one of the main channels that the agents will target is multiples, there is considerable opportunity for a pan-agricultural approach. The main starting point would be to “piggy-back” off of the products already in the supermarkets, and offer a bundled approach to sales. Rather than buy only grapes from a South African supplier, the agent would be able to supply a store with grapes, flowers, tomatoes, baby vegetables, wine, etc drawn from a number of high quality distributors.