



IV.1 Objectives

To project a high quality image in target markets, keep track of market trends and changes and allow for the free flow of product information to and from South Africa

IV.2 Background

Current floricultural marketing is characterised by:

- Marketing initiatives conducted on an individual basis with limited industry-wide marketing
- Restricted marketing and promotional efforts, just publication of pamphlets and representation at a few key international flower shows
- Marketing strategy on an industry-wide basis limited to product-based industry associations, particularly SAPPEX

Marketing is of enormous strategic importance to the overall success of the development of the floriculture industry as there is currently a low awareness of South African products and product characteristics in the marketplace.

There is great demand for new, novelty products and varieties of a high quality, and these demands are easily met by South Africa's natural diversity of interesting floricultural products yet the market is unaware that this is the case. In instances where buyers are aware of South African product (mainly indigenous products like fynbos) there are generally gross misconceptions about quality and consistency of supply.

In order to rectify the low awareness and misperceptions abundant in the marketplace, South African floriculture industry needs to radically increase its visibility and cultivate a consistent positive product image in its main export markets. Only once it has established its reputation as a world class supplier of world class floricultural products will South African floriculture exports be able to realise their true potential.

IV.3 Areas for strategic focus

IV.3.1 Specific initiatives

**1. INDUSTRY-WIDE
MARKETING
CAMPAIGNS**

**2. FRAMEWORK
FOR FREE FLOW
OF MARKET &
PRODUCT
INFORMATION**

Initiative 1: Industry-wide marketing campaign in main 4 markets

Context

Even in Holland, the centre of floriculture trading in the world, the knowledge of South African floricultural products is appallingly low. Where there is some knowledge it is mainly restricted to protea and other fynbos and the perceptions about consistency of supply and overall quality are generally not favourable. At the same time, most traders are unaware that South Africa offers a wide range of products, including traditional greenhouse varieties. Lastly, the market views South Africa overall as an inconsistent supplier unable to guarantee necessary and consistent volumes of high quality product.

Awareness in markets outside Holland is even lower and misperceptions are even more exaggerated in Germany, UK, and Japan.

These misperceptions are for the most part based in image rather than in fact and South Africa must move to rectify its reputation before it can develop the industry to its full potential.

Key action steps

The South African floriculture industry must launch a widespread and united marketing campaign in its 4 main export markets: Holland, UK, Germany, and Japan. The aim is to increase the awareness of the diversity of high quality floriculture products available from South Africa. The campaign should include advertising and promotions.

Messages the campaign needs to convey:

- Novelty and diversification of product range (conveying match with market demand)
- Consistent quality across product type (due to world-class production and transport practices)
- Continuity of supply (conveying world-class delivery capabilities)
- Accessibility of information (conveying strength of industry organisation)

Advertising channels to include (for each target market):

- Trade journals
- Interior decorating magazines
- Supermarket flyers/brochures

Promotional activities should include:

- Establishing relations with florist schools
- Integration with and/or links to other South African marketing campaigns (tourism, wine, etc)
- Supplying flowers to florists and supermarkets for promotional displays around specific holidays broadly celebrated across all target markets including:
 - New Year's Day (January)
 - Valentine's Day (February)
 - Easter (March/April)
 - Mother's Day (March and May)
 - Christmas (December)

In Holland, the Flower Council conducts a series of local promotions around holidays in its target markets. In Italy, for example, the Flower Council supplies flowers to the Vatican for the Easter service. In Kenya, the Flower Council has established Kenya Flower Day in the UK when it gives away a flower to every passenger flying Air Kenya to London on that day.

Market specific recommendations

Although the general messages and methods for the marketing campaign are consistent across the main markets, each market has certain characteristics that should be included in the marketing plans for that specific market.

Germany – The German market is currently aware of South African protea, but not about further varieties of high quality product. Therefore, promotional messages should focus on the diversity of product range and quality products that South Africa can provide. Import wholesalers and agents dominate the market so they are the most appropriate targets for promotional activities.

Special holidays: All Soul's Day, Commemoration Day, Three Kings Day, Whit Sunday, Pentecost, Emtedank Day

UK – UK flower consumers are not as sophisticated in tastes as their continental European counterparts, and the consumer market will need preparation to consume indigenous South African product. Therefore, South Africa should create awareness and demand through advertisements in interior decorating magazines as well as by targeting the trade, particularly buyers at supermarkets.

Special holidays: St.George's Day, St. Andrew's Day, St.David's Day, St.Patrick's Day

Japan – Flower arranging is a special art in the Japanese market and it will therefore be essential to promote South African products through florist schools where floral designers are trained to influence society with their designs. Religious ceremonies often require large volumes of flowers so a promotional campaign around religious days and ceremonies should successfully increase awareness.

Special holidays: Obon, O-Higan, Greenery Day, Respect of the Aged Day, O-Selbo, O-Chugan, Star Festival

Initiative 2: Create a framework for the free flow of market/product information to and from South Africa

Context

As the floriculture industry is largely based on changing consumer tastes, it is essential for the world-class supplier to be flexible and responsive to changes in the market. This means being able to track and even anticipate new product and channel trends as well as being

able to respond to provide the market with product information in line with changing preferences. For this reason it is essential that the South African floriculture industry creates a flexible framework for the flow of information in and out of South Africa, allowing it to be as responsive a supplier as possible.

Traditionally, the flow of information coming into the market has been largely based on customer information passed on to individual growers who have kept it to themselves. This hoarding of information must stop and an industry-wide depository of market information needs to be created.

Floricultural information leaving South Africa has been restricted to pamphlets and representation at international trade shows, as well as enquiries to specific growers, but there has not been a mechanism for effectively providing key markets with product information.

Key Action Steps

The establishment of a SAFIC website will go far in addressing the market information and product information needs of both stakeholders within South Africa and interested parties abroad. (See communication/MIS section for more on website as a database) This site should hold information on market trends and characteristics on a restricted basis primarily for the use of SAFIC members, but it would also serve as a contact point for international customers to access product information. The website should be used as an informational marketing tool only, as the South African floricultural industry must invest heavily in its enabling environment before it will be ready to explore e-commerce activity.

In conjunction with a website, SAFIC needs to appoint a knowledgeable person to act as a contact point for general inquiries and to refer questions or business propositions on to the appropriate organisations as well as being able to send out information on products and suppliers in South Africa.

IV.3.2 Key responsibilities

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| Lead | Industry-wide bodies | <p><u>Marketing campaigns</u> – SAFIC is critical in designing the industry-wide marketing campaigns as well as in supporting individual exporters’ marketing initiatives and hiring an advertising agency to create the campaign. SAFIC should be the co-ordinator of industry-wide promotional activities such as establishing relationships with florist schools by supplying them with flowers and establishing “South Africa Flower Day” in the target markets. SAFIC should also make sure that it links into any related campaigns of other South Africa exports such as wine, tourism, etc and that it keeps track of other marketing initiatives such as the newly formed International Marketing Council (IMC) and the “Made in South Africa” programme. In fact, SAFIC should approach other industry bodies and explore the possibilities of joint-marketing.</p> <p>Product associations (SANA, Sappex, etc) need to discuss their views on marketing messages and target customer types amongst their members and then give input on their common needs for the industry-wide campaign.</p> <p><u>Market information flow</u>- SAFIC needs to co-ordinate the design and maintenance of an industry-wide website and hire IT consultants to set it up.</p> <p>Also, it must appoint a contact person to follow up any customer inquiries regarding South African floricultural products or delivery capabilities, etc.</p> |
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In order to ensure that an effective marketing strategy is implemented, the industry-wide bodies need market and product information from growers on a continuing basis.

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| Support | Growers | <p><u>Marketing campaigns</u> - Continue individual marketing efforts but use the same messages as the industry-wide campaign in order to show a united front to the marketplace.</p> <p><u>Market information flow</u>- Feed information gained through experience in marketplace with regards to market characteristics and customer groups to central website.</p> |
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Government currently has several programmes in place that could assist the industry with its marketing strategy.

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| Support | Government | <p><u>Marketing campaigns</u> - The newly formed International Marketing Council (IMC) may provide a forum from which to launch the industry-wide campaign and other initiatives which SAFIC can tap into such as the “Made in Africa” campaign.</p> <p>- The NAMC can also act as advisor for the marketing activities of the floricultural industry.</p> <p><u>Market information flow</u>- A SAFIC website should be linked to Government sites about agricultural products and exports.</p> |
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Implementation partners are also needed from outside the industry:

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| Support | Related Industries | <p><u>Advertising</u> - Design the industry-wide campaign. The agency will have to tie in any logo/packaging look designed for exports and should also be aware of related marketing initiatives and any effort to standardise or run an all South Africa export campaign.</p> <p>- The agency should be also be aware of the differences in the UK, Germany, Holland and Japanese markets and the different trade channels within each market.</p> <p><u>Information technology</u> – An IT consultant needs to work with the industry to design and maintain an industry-wide interactive SAFIC website that will hold product and market information for South African stakeholders.</p> |
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IV.4 Implications for other agricultural sectors

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

- **Industry-wide campaign in target markets**

Creating an image

In order to increase the overall awareness of South African floricultural products and to correct misperceptions in the marketplace, the floriculture industry will launch large scale marketing campaigns in its 3 target markets: UK, Germany, Japan, (and Holland).

The marketing initiatives will be two-fold and there is no doubt that synergies exist across agriculture sectors for each:

- Advertising campaigns
- Promotional activities

These initiatives are aimed mostly at the trade and at the multiple channel in each target market and include messages such as “diversity of product range”, “high quality, good value” and activities such as sample stands with brochures, etc inside supermarket stores. Although within each type of initiative, product specific (eg floriculture) messages and activities also exist, a bulk of the marketing can easily be done on a pan-agricultural basis.

- **Website network**

Linked sites

The SAFIC website will be a valuable marketing tool, allowing customers to find out about the product range and delivery capabilities for floricultural products as well as contact details for full lists of South African growers and exporters.

There is no doubt that linking all agriculturally-based websites whether they are industry or government based will be critical in maximising product exposure across exports overall. This relatively low cost initiative can have a tremendous impact on increasing the awareness of South African exports internationally.