

Selling in Cities

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Warning!



- ‘Selling cities’ does not imply just to change the way to sell products.
- To sell in the cities, the producers may need to remake and/or repackage their products to suit the needs of particular segment targeted in the cities.
- Ideas are many and limitless. This lecture can just provide a few ideas.

What are the characteristics of markets/consumers in cities?

- Far from most producers in rural areas.
- There are competitions with other producers/products including imported products.
- There are opportunities because of large population and the existence of various niche markets.



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Far from most producers in rural areas

Difficulties in

- Information flow
- Transportation
- Market research



Thus, employing good agents is the most important issue! (covered in another lecture)

Let's use baobab Jam as an example



Who are the targets of this product?

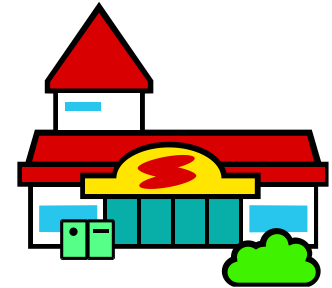


Competitions in cities

- Many other similar products are already in the market.
- Consumers have already accustomed to take/use other existing products.
- What are the possible competitors of baobab jam even if there is no other baobab jam in the market?
- What are the products which may be replaced with baobab jam?



In supermarkets



- Baobab jam may compete with other kinds of jams, for example, strawberry jam, pineapple jam, and mango jam.
- What is the superiority of baobab jam over other kinds of jams?



In souvenir shops in international airports

- Baobab jam may compete with other types of souvenirs such as chocolate, nuts, tea leaves, and handicrafts.
- Glass bottles of baobab jam are heavy and tourists may worry that they might be broken during the flight. What are the superiority of baobab jam over other types of souvenirs?

To win the competition

- To have obvious superiority such as:
very attractive price,
very yummy,
very easy to carry (in the case of souvenirs),
very rare to find, and/or
entirely new so that it can open up a new market.
- What about baobab jam?

Opportunities

- Visitors to Africa (not Malawians themselves) may be attracted by the image of baobab tree.
- Visitors to Africa may become interested in the products made from baobab, including baobab jam.
- This is a strength and a good opportunity which baobab jam has but no other jams like strawberry jam don't.
- Think how you can fully utilize the strength and the unique opportunity!

Let's think!

- Where the visitors to Malawi can find baobab jam?
- OVOP Antenna Shop? How short-term visitors can know about and visit the OVOP Antenna Shop? It's very difficult.
- Souvenir Shops in the International Airport? Visitors may have already bought other souvenirs and do not want to buy jams with heavy glass bottles.

Think this way

- Where visitors to Malawi may find any kind of jams and have a chance to taste them?
- Not in the supermarkets!



Visitors may taste jams ...

- In the hotels, where they stay. Hotels usually provide various jams in small package for the breakfast.
- On the flights. International flights are connecting Malawian international airports and other countries. Airlines often provide various jams in small package with on-flight meals.

Visitors to Malawi

- They may not want to buy baobab jams in large glass bottles because it's heavy and they don't know the taste.
- If baobab jam is provided on flight or for the breakfast in hotels with small package, the visitors may be curious to taste it at least at once.
- Visitors may or may not like the taste of baobab jam. If they like it, they may buy a large bottle. Even if they don't like it, there are always new visitors coming to Malawi. So the baobab jam in small package may always has continuous demand.

For the businesses

- Both international airlines and hotels need to entertain their costumers, i.e. visitors from outside.
- If baobab jam can be provided in small package, these businesses may be happy to buy because the jams in small packages are the form that these businesses usually provide to their costumers.

Redesigning the products

- If baobab jam is provided only in large glass bottles, it is very difficult to explore this kind of opportunities.
- It is important to find market opportunities first, and then, designing the products to suit each market opportunity (demand from each airline and hotel may vary in package size, labeling, etc.).

Change packaging according to the opportunity!

Small packets in the right are provided in a restaurant for breakfast. Although shapes of packages may differ, small packages of jam and other types of spread are common in hotels, restaurants and flights. Another difference is that these small packages are purchased by businesses. They purchase in a large quantity and they may continuously buy if they like it.



Consumers do not need to pay themselves to taste something new and unfamiliar to them.

For souvenirs...

Small bottles may be better.

They are easy to carry, visitors can take many.

Compares the size of the baobab jam bottle and small ones purchased at Johannesburg Airport. Which is suitable for souvenir?



Strategies to sell

Know about the possible clients first!
Then, remake or redesign the products and/or
how to promote those products!

- Change product itself
- Change the way to sell the product

Strategy: Make very unique product



What is the uniqueness of this product?

Is there any similar product in the market?

If there is any (actually there are many), what is a good reason for consumers to choose this product instead of already very familiar products?

Late comers should clearly differentiate their products from existing ones

- Very unique characteristics to attract certain portion of consumers, for example, better taste and cheap price.
- But usually it is very difficult to compete with large and famous producers in commodity markets.

Target small niche markets



- Not many people love hottest chips.
- Small niche market may be large enough for a small producer.
- Large competitors may be not interested in small niche markets.
- By making very unique products, competition can be avoided.

Strategy: Add Traceability



- This label indicates the name and location of the farmer. By indicating personal information, the farmer says that who is responsible for the quality of this product. This is called 'traceability'.
- Consumers tend to trust the products with traceability and prefer to buy them.

Strategy: Add Communication by selling directly



- Unlike antenna shops, in the morning markets and/or direct selling shops, producers themselves directly communicate with consumers.
- Consumers can enjoy conversation with producers and may ask questions directly. If consumers like producers (not necessarily products), they may buy the products.

Strategy: Add Story

- Similar to traceability and direct communication strategies. Certain interesting stories about product, producers, history of locality, etc. can be added to the products.
- For example, if a local traditional legend (if any) about baobab tree is added to the baobab jam package, the product can be much more attractive.

Examples

These Umeboshi (dried and pickled plums, a Japanese traditional food) packages have the explanation on the locality and the producer's concern about providing healthy products.



Tako Manju



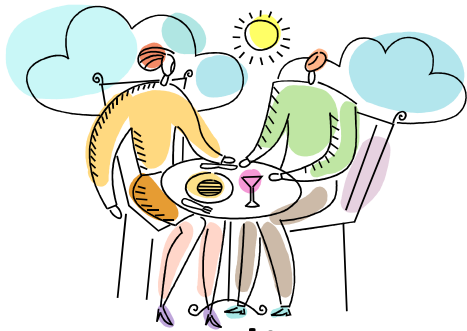
This is a tako manju (Japanese traditional mouth-size cake) made in Toshi-island in Aichi Prefecture. The shape of this manju is mimicking an octopus, which is abundant in this region. The design of the box shows how local fisherman catches octopuses and people celebrate good catches.

In the box, a piece of rolled paper is included. On this paper, one legend or historical event from the area is printed. There are several different stories, so the customers cannot know what kind of story they find unless they buy and open the box. Every time they buy a box, they may find a different kind of story.

Strategy: B to B

(Business to Business)

- Many OVOP products are designed to sell to the consumers.
- If 50 liters of cooking oil, produced by an OVOP group, is divided into 50 of one-liter-size bottles, it is necessary to find 50 customers. Bottles also should have been labeled neatly to attract customers and compete with similar products.
- It is a costly and difficult process for the producers unfamiliar to consumer markets.



If a restaurant agrees to buy all?

- 50 liters of cooking oil is too much for a family but just good for a restaurant.
- If a restaurant agrees to buy all 50 liters, it is not necessary to put costly nice labels nor to find out shop shelves under fierce competition with the products of large and famous companies.
- 50 liters of oil can be put in one or two large size plastic cans and can be directly delivered to the restaurant.

What large competitors care about?

- Large companies do not want to share the spaces on the shelves in large supermarkets. For the large supermarkets, there is no reason to give priority to very small producers.
- Large companies do not care or do not notice if some local restaurants change the brand of cooking oil they use to small OVOP products.

Exercises

- Who consumes certain quantity of cooking oil (who can be good customers)?
- What kinds of OVOP products (other than cooking oil) can be supplied to businesses and/or other kind of larger scale consumers?
- Can you match some products that you support and some businesses in your district?
- Do you think the producers of OVOP potato chips use cooking oil made by other OVOP groups?

Strategy: Sell Unfinished Products

- Why OVOP groups are instructed to produce final products?
- In Japan, there are companies that sell sliced and/or chopped fresh vegetables to other businesses. Other businesses do not need to invest in slicing and/or chopping processes.
- Value addition does not necessarily imply to produce the final products. For some food processing businesses, sliced and/or chopped vegetables are already value-added products.

Example – Chismo Honey Candle



- This Malawian product is usually sold in a paper bag as a final product. But it can be sold as bee-wax, candles without wooden dishes, or candles with dishes but without bags.
- Other groups or businesses may have nice dishes or bags but they may not have techniques or facilities to make candles. For them, candles alone may have good value to purchase.

Exercises

- Is it possible to sell sliced and/or peeled potatoes instead of potato crisps?
- Do you have any idea to promote unfinished products?
- It may or may not be possible, but, the most important thing is to explore various opportunities!

Strategy: Sell Fresh

- Freshness of the products can be a good differentiation point.
- Potato chips may be kept for a long time on the shelves. If you want to sell potatoes with additional value, why do not try to fry them on the street?
- In Japan, freshly baked sweet potatoes sold on the streets are very popular.

Strategy: Target high-end markets



マラウイハニー

[BeeHappy](#)

[この商品の最初のレビューを書き込んでください。](#)

[出品者からお求めいただけます](#)

[新品の出品](#) = 1¥ 1,400より

Priced at 1,400yen per 209g bottle, it's targeting health conscious high-end market. Although OVOP group do not have direct access to this market, this kind of company may pay a good price even to the raw, unprocessed honey.

This Malawian honey is produced by an OVOP group but refining and bottling are done in Japan.

In the case of Meiho Ketchup



Meiho ketchup is hand-made by a women's group in Meiho village. Company is co-owned by public administration and local people.

Unlike other tomato ketchup of mass production, Meiho ketchup is in glass bottle, not plastic tubes. The price is more than double.

Hand-made (limited supply) and no-preservative, these points appeal to high-end market, those who love 'difference'.

Strategy: Convenience

- One of my friends has a shop selling tea leaves. I've never seen someone actually buying tea leaves at the shop. I have wondered how he makes his living. The answer is that he delivers tea leaves upon request of large-scale consumers, i.e. restaurants, temples and offices. His customers are happy to pay him higher price for the convenience.
- Is this option difficult in Malawi?

In the case of Irodori



Tree leaves can be found anywhere in Japan. Packaging can also be similar. So what the reason for the continuous success of Irodori?

According to the president of the Irodori Company, it is the trust. Irodori Company always returns quick response to the inquiries and demands. So the markets trust Irodori and they stick to Irodori.

Strategy: Shift season

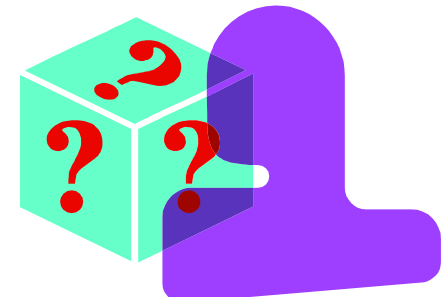
- Many agricultural products are highly seasonal. During the out-season, they are not available or, even if they are available, they are very expensive. Therefore, shifting season can be very profitable, even if no particular value is added to the products.
- Question is how to shift the season.

How to shift the season

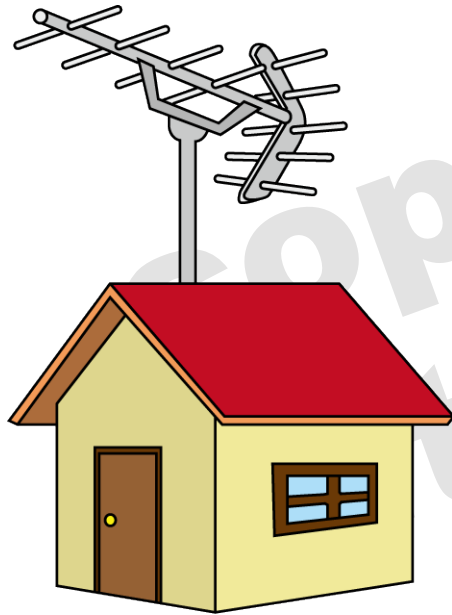
- To shift the harvest itself by irrigation, greenhouse, introducing different varieties, and other agricultural practices.
- To store products in the storage until they can get higher prices.
- To send the products somewhere else. If you can supply something from southern hemisphere to north, there may be big opportunities.

1. What is “Antenna Shop”?

- For selling products?
- For introducing products?
- What is primary function or role of Antenna Shop?



“Antenna Shop” itself is a function



If there is a shop named ‘antenna shop’, consumers may think that the shop is selling antennas.

Who wants to buy antennas so often?

Which shop do you like to go in?



Don't name it “Antenna Shop”

- “Antenna Shop” is the name of a function for shop owners or project organizers.
- For consumers, the name of the shop needs to be something attractive or something that represents the products and/or producers. The function of the shop itself is not important for consumers.
- Naming is already a part of marketing!

(1) Functions and roles of the antenna shop are;

① To do test selling

(1) To catch market information .

(2) To give feed back the market information to producers

such as customer's reaction or needs.

② To promote regional culture/goods/services

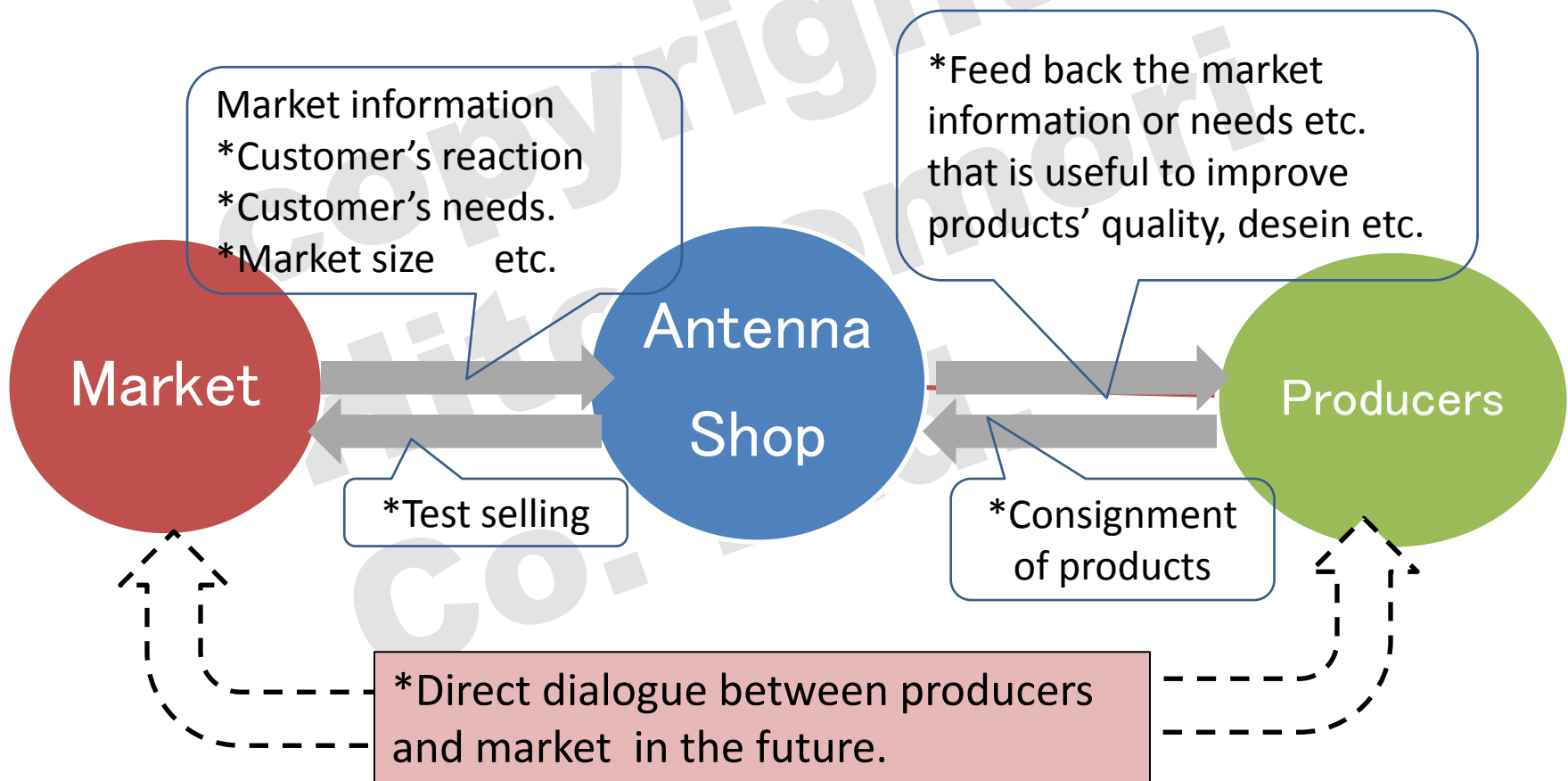
Area/Regional branding



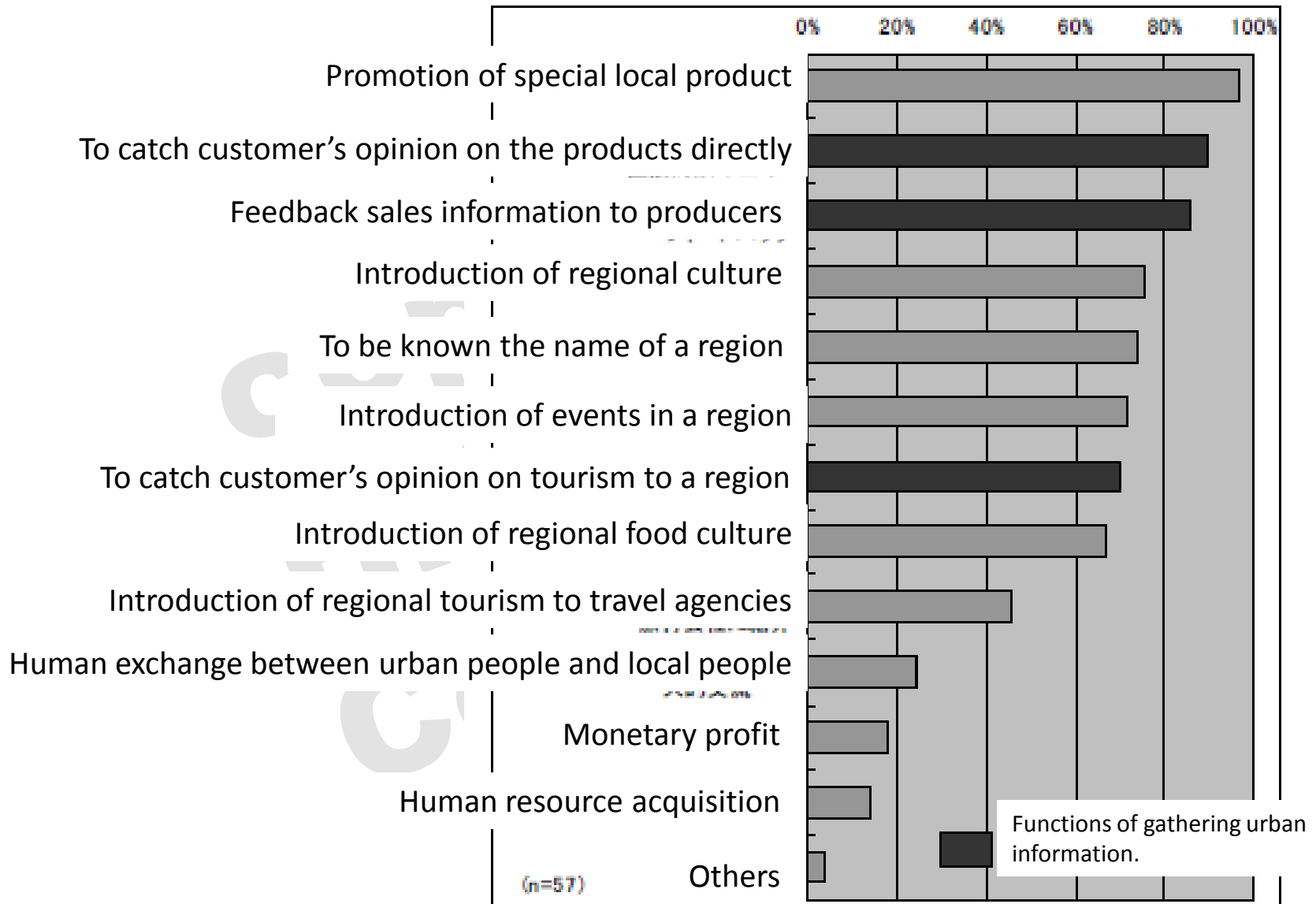
③ To provide business matching opportunities

Potential buyers research/personal selling, business matching event,

- Product sale is not a final goal of the shop.
- The antenna shop is like a bridge between the market and the producers.



Other roles of Antenna shop (for a promotion)



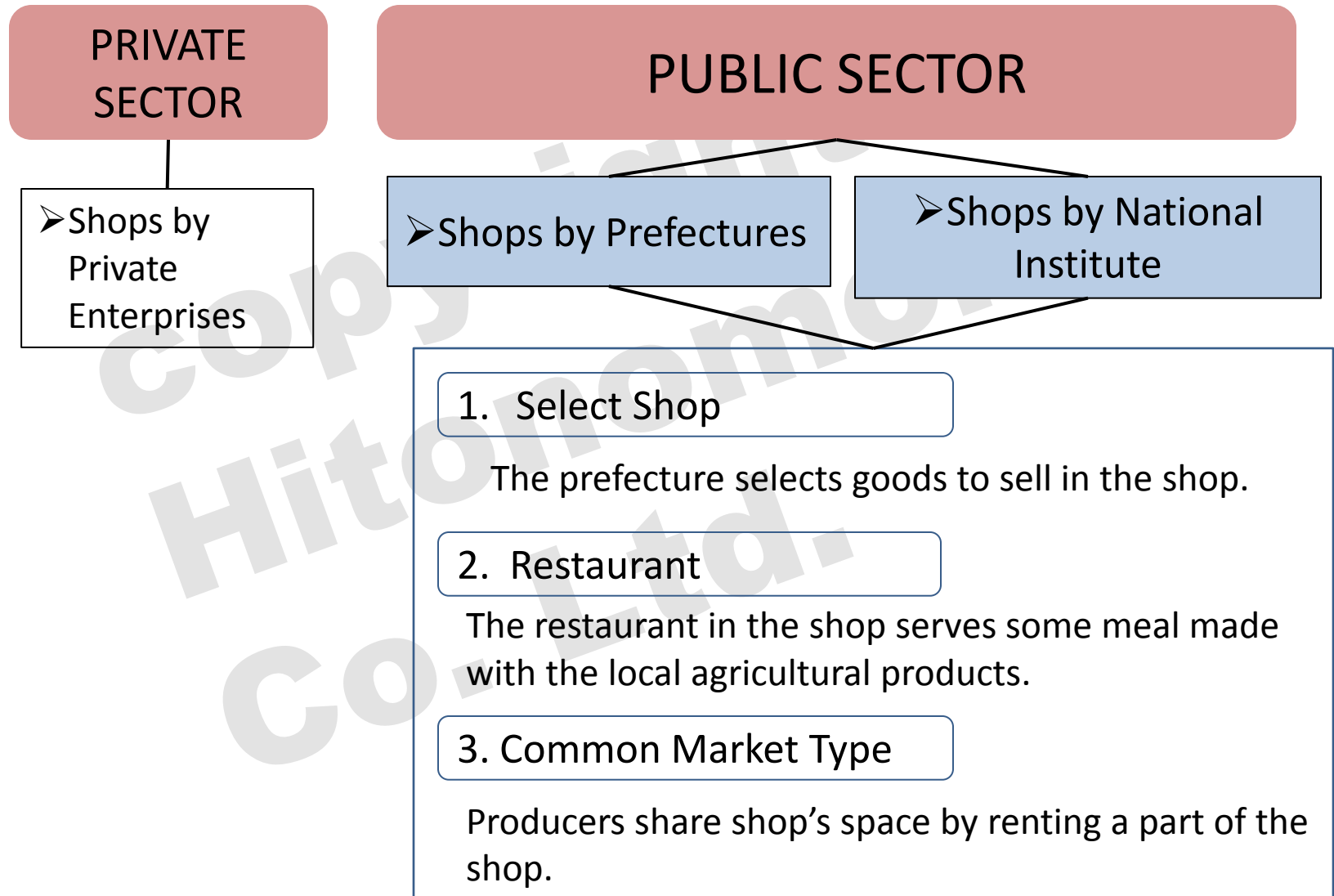
(2) Attracting customers

- To know customer's needs or reaction, it's necessary that many customers come to the shop first.
- Products cannot be sold unless customers come to the shop.



- What can we do to attract more customers effectively?
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2. Types of Antenna Shop in Japan



Shops by prefecture

Run by prefecture for introducing and selling special products made in the prefecture. They can get market information to improve products and to expand the market.

➤ FUKUI Minami Aoyama 291 in Tokyo

Run by FUKUI prefecture.

- Local products of FUKUI are sold.
- Tourist information corner



➤ Minami-Shinshu Farm Products Market in Nagoya City (this shop was closed)

Run by Minami-Shinshu region of NAGANO prefecture.

- Fresh foods and processed foods are sold.
- Cookery lessons are held by the shop to let local people know about products of Minami-Shinshu.



What kinds of ideas do they do to run the shop better?

If you have to operate any antenna shop in your country, what do you do?

- How do they decide goods.
 - What kind of promotion do they do for attracting customers.
 - How is the system to feed back market information to the producers.
- etc....

Functions of Trade show/exhibition

1. Product(Producer) Brand promotion
2. Test selling
3. Acquisition of potential customers

Fist step:

Select appropriate trade show /exhibition that will match with your business purposes (with your targets/dealers/buyers).

- Who comes to the trade fair?

Second step:

① for test selling: collect reaction of customer voices

②for acquisition of potential customers

collect contact address (e.g. business cards/memo through verbal communications) and list them as potential buyers. (B to B)

Third Step

Prioritize listed potential customers → Make an appointment for further business negotiation.

Forth step:

Maintain good relationship with customers and propose cross selling/ upselling

Examples:

POP(Point of purchase)

Tasting corner

Tea/table for customers for business negotiation

Test selling (tasting corner) e.g. milk

Local cuisine sold by local women group

Event : workshop attracting kids

<http://www.kusu-shokokai.jp/nougiyousai.html?start=1>