

No. 4: Using 'local branding' to enhance local product sales to tourists

In essence: A valuable technique to enhance the sale of locally-produced goods to tourists is to 'brand' them under a local or regional theme. The brand is a way of addressing quality issues, co-ordinated marketing, product development and product recognition. Examples from Rügen and Mexico demonstrate significant benefits to producers and consumers alike.

Increasing the sale of local produce and services to tourists is an important component of Pro-Poor Tourism. On the German island of Rügen (box 1), in Mexico (box 2), and on the Caribbean island of Tobago (box 3) regional 'branding' has been used to promote local products and to increase linkages between tourism and the local economy. A range of local products are sold under a defined brand, with clear quality criteria and market recognition.

The tourism sector benefits from the development of a local brand by being able to offer authentic and quality local products, unique shopping and culinary experiences, and intensive marketing of the area and its products. By linking tourism with other sectors, a strong regional product brand can be created and local entrepreneurs can gain opportunities for market access and increased sales, as well as marketing and promotion.

Box 1: Regional branding and product marketing – linking the formal tourism accommodation sector to other economic sectors – The "Rügen Product"

Rügen is an island situated in the former East-Germany. In the early 1990s following German reunification, the island faced high unemployment and economic collapse, particularly because of the decline of the previously highly important agricultural sector. The tourism sector, on the other hand, soon became the island's main bread winner due to Rügen's outstanding natural beauty (two national parks and one biosphere reserve) and cultural heritage. A key question for the regional development agency, the agricultural sector and the tourism industry was: how to create better linkages between the growing tourism industry and other dwindling sectors of the local economy such as agriculture, fisheries, arts/crafts production, and manufacturing?

In 1996 seven agricultural and manufacturing businesses formed the association "Rügen Product." The Rügen Product is a unifying brand identity for a number of locally produced goods and services that are marketed primarily on the island to the local population and tourists via markets and shops, hotels and restaurants, and tourism attractions. Aims of the association included increasing the value added in the region, creating employment, and integrating economic sectors. Today, the association has 43 members, 17 of which are agricultural or manufacturing businesses.

Products traded under the Rügen brand include:

- foodstuff (meat and dairy products, potatoes and vegetables, honey, fruit juice, liquors, fish products, breads, etc.);
- goods (pottery, arts and crafts, medical chalk products etc.); and
- services (markets, events, etc.).

The marketing is organised and undertaken via the Rügen Product Association and activities include among others:

- the development of a leaflet describing 'Rügen Product' partners and a Rügen Map showing the location of partners and listing events;
- the development of a 'Rügen Product Hamper' containing a variety of locally produced goods that can also be order via the internet;
- the organisation of 'Rügen Product Evenings' at participating restaurants where predominantly local dishes and products are sold, such as for example cabbage and haring weeks;
- the organisation of craft fairs and markets for 'Rügen Products'; and
- arrangements with local shops to reserve shelf-space for 'Rügen Products'.

The 'Rügen Product' branding not only links the formal tourism sector with local suppliers but has also enhanced the tourism profile of the island. The products marketed under this brand symbolise high quality based on outstanding natural assets that the island has to offer, and the brand is recognised nationally. Rügen products are now sold elsewhere in Germany and can be purchased via the internet.

Since its foundation the association has achieved the following:

- increased product awareness and sales to consumers (local population, visitors, hotels and restaurants, shops as well as wholesalers) achieved through public relations and marketing and the organisation of special events;
- strong collaboration between the local tourism industry and agricultural associations;
- several well established events and initiatives to foster the use of local products such as "Regional Food-Culture";
- integration of a wide range of products;
- development of a 'seal of approval' (Das Beste aus Rügen) which has so far accredited 21 businesses (the three criteria for certification are: a) sole use of local raw materials and retention of value-added on the island; b) continuous quality assurance provided by independent assessors; c) foodstuff is undergoing stringent independent tasting sessions);
- increased sale of Rügen products within the region and exports to other parts of Germany;
- development of tourism attractions (i.e. farms, markets, sales outlets) that are particularly important for attracting off-season visitors;
- diversification of the economy away from a purely tourism based focus;
- marketing of the island benefiting tourism as well as local products;
- support to the tourism sector as well as manufacturing industries; and
- establishment of high quality products with instant recognition via a unified brand.

Source: www.reginet.de/ri_daten/mcp11.htm; Meyer, D (2001) Communities, Contests and Power Structures - a comparative study of tourism development, unpublished PhD on Rügen (Germany) and the Isle of Wight (UK) in the light of community participation theories.

Box 2: BIOPLANETA, Mexico

The term BIOPLANETA describes a major 'brand' covering products from agriculture, eco-tourism, handicrafts, processed products and fair trade, in Mexico. It also stands for a network of networks, a non-profit organisation, mouth-piece, think tank, agency and lobbyist for several different but holistically related fields of activities and business sectors. BIOPLANETA has its administrative headquarters in Mexico City and works within 58 communes in 13 Mexican federal states.

BIOPLANETA sees itself as a national network of rural and independent cooperatives. As well as supporting mutual trade and shared branding among members, BIOPLANETA also supports exchange of experience, know-how and also a feeling of solidarity among the projects involved. Within BIOPLANETA there is an Ecotourism network, with roughly 16 business or tourism projects with several affiliated projects. They are mainly situated in rural areas, or villages all over the federal states of Oaxaca and Veracruz.

Trade and marketing linkages between members of BIOPLANETA are strong: each member promotes, sells or buys products of other members. For instance, the waitresses at cafes wear uniforms made of skilfully embroidered folklore textiles, produced by the women's cooperative of Soyaltepec. At the Eco-Ranch "Las Cañadas" one can buy Mazunte cosmetics or eco-cocoa from Toluca and at the BIOPLANETA shop in Mexico City almost all the products from all the members of the network are offered for sale.

The linkages between tourism and other sectors are evident in the Ventanilla and Oaxaca Coast Network - a member of the Ecotourism network, comprising several communities between the tourist centres of Puerto Escondido and Huatulco at the Pacific coast. This project started in 1995 with the establishment of a very small and unknown cosmetics factory by the name of "Mazunte Natural Cosmetics" named after the location, a place that is mainly visited by individually travelling tourists and backpackers. Today, Mazunte Natural Cosmetics is the leading business within the Oaxaca Coast Networks. Due to large numbers of tourists shopping there, the now well-renowned cosmetics firm has a weekly turnover of 50,000 Pesos (some 5,000 Euro) during high season and is represented with its range of products in a large number of Mexican hotels and cosmetics shops in all major towns. Conversely one can find almost all eco-products of other BIOPLANETA members in the factory outlet which is well frequented by holiday makers (e.g. eco chocolate, Café organico, wooden toys, soaps, natural dyes, jams, peanut butter etc.).

A wide range of income sources have opened up for the members of the BIOPLANETA ECOTOURISM NETWORK. While the daily wage in Oaxaca-City amounts to approximately 50 Pesos (5 Euro), a guide in the remote Llano Grande earns a minimum of 120 Pesos (12 Euro) per day for hiking tours through the forests in the Sierra Norte. In addition to financial income, many members of the communities gain from being co-owners of BIOPLANETA businesses.

Source: www.bioplaneta.com; www.studienkreis.org/common/news/presse2004-1_e.html

Box 3: 'Taste of Tobago' / Made in Tobago

On the Caribbean island of Tobago, a small group of local women have formed a loose affiliation to produce fruit preserves, jams and jellies, pepper sauce, herb seasonings, etc. under the label *Taste of Tobago*. They were assisted by the Caribbean Agriculture Research and Development Institute (CARDI) in food processing techniques and other support was provided by the Marketing Department of the Tobago House of Assembly. Their products have become known for their high quality, both locally and abroad, and recently won a European award.

These lines of products possess great potential as condiments for the restaurant dining table as well as ideal souvenir items for the tourist market. Yet at present their pre-production, processing and inventory management systems restrict them from keeping pace with high demand, which they have achieved even in the absence of any marketing efforts.

Further plans to support and develop the brand are being made with a group of Tobagonian stakeholders from industry, government and NGOs, with support from the UK-based Travel Foundation. Possibilities discussed include, for example, developing cultural evenings and exhibitions of local art on a rotating basis, expanding the range of cultural products promoted at hotels under local labels, and inviting hotel guests to dine 'Tobago style'. A local culinary expert has already been identified to develop recipes which would utilise ingredients supplied by the Farmers Associations (ground provisions, vegetables and fruit), whilst the *House of Angostura* has expressed an interest in participating in the programme. The project aims to promote local food by presenting it in appealing ways while stimulating hotel demand for fresh produce such as dasheen, cassava, eddoe and breadfruit. By working closely with hotels and international tour operators, the initiative will be able to draw on their marketing power and direct contact with guests. For example, cultural ventures can be promoted through tourist brochures, local resort representatives, the hotel managers' welcome cocktail party or other media such as in-flight videos.

Source: Abdool and Carey 2004: Making All-Inclusives More Inclusive: A research project on the economic impact of the all-inclusive hotel sector in Tobago for the Travel Foundation. Available at:

www.thetravelfoundation.org.uk/documents/All-inclusivesfinalreportJune04.doc

Both the Rügen and the Mexican initiatives have been successful in establishing co-operation networks and promoting diverse local economic sectors. Both projects have demonstrated the importance of building product awareness in novel ways and through multiple and diverse forums. The project in Tobago is less developed but also shows considerable potential for the future. These initiatives demonstrate the significant benefits to local economies of strong intersectoral alliances and the power this can have on marketing an area and the produce created there.

These briefs were produced by the Pro Poor Tourism Pilots (Southern Africa) Programme, as a way to share practical international examples of pro poor actions with programme partners and others. PPT Pilots is a 3 year programme funded by DFID's Business Linkages Challenge Fund, facilitating adoption of pro poor practices by tourism companies in Southern Africa.

There are eight briefs so far in the Business Implementation of Pro-Poor Tourism Series. They cover a diverse range of topics from branding to supply chains and tourism-agriculture linkages. Several rely on material extracted from websites of companies and other organisations, which is provided in good faith but cannot be taken as verification of pro poor impact. The briefs were written by Dorothea Meyer, Caroline Ashley and Clive Poultney (first versions produced May 2004, revised versions uploaded December 2004).

Further programme information and the full set of briefs are on www.pptpilot.org.za. Further background on PPT internationally is on www.propoortourism.org.uk.