A report presenting best practise

"Business innovation through smart specialisation"

Datum: 2019-09-12

Programme to help SMEs strengthen their market communication

By: Kristina Anderback, Agroväst Livsmedel AB

A program was implemented during 2018/2019 to help food related small companies in West Sweden to strengthen their market communication and increase the visibility and attractiveness of their products on the shelf in the grocery stores. The activity was conducted as a part of the REFRAME project to help the SMEs to better meet the demand from the big regional grocery stores.

Introduction

There is a big demand and high expectations from Swedish consumers to be able to buy locally produced food in their grocery store. Consequently, there is a strong trend among the grocery stores in Sweden to increase their proportion of food from local farms.

Sofia Kvist, from AkSe gårdsprodukter at ICA Maxi in Skövde

The REFRAME project in Sweden have cooperated with retailers such as ICA Maxi, ICA Kvantum and CityGross to introduce them to suitable regional producers that can widen their assortment and match existing demand. Within the REFRAME project we also have supported the regional food producers to develop and strengthen their offer to better meet the requests from the regional retailers/food groceries. One example is a customized programme to strengthen the SMEs market communication and thereby increase their products attractiveness and competitiveness.

How did we do it?

We started by identifying regional food producing SMEs with the need of sharpening their offer to the market with the aim of increasing profitability and volume. In addition to the company's need, the company's own conditions, such as time, money, maturity and will, were important selection criteria.

The next step was to perform a needs analysis in close dialogue with the company. After that we contacted one of the communications agencies, we had procured within the REFRAME project, that could provide the excellence needed in marketing and sales profiling. Based on the needs analysis and dialogue with the company (?) the agency presented an offer that the company could refuse or accept. The limit for each case was 3o hours work by the agency. The company paid 30 % of the invoice, and the remaining amount was paid by the project.

Below some examples of company cases:

Examples of company cases	*Performed assignment*	*Estimated working hours by the communication agency*
Company 1	New label layout based on current logotype, graphic design and communications concept.	8 hours
Company 2	Product launch new product/product group based on existing graphic design and communication concept (a slightly more extensive activity – work with unique selling points and argumentation)	24 hours
Company 3	Review graphic design linked to the uniqueness of the company, create a common thread in existing design and communication concept (a more in-depth activity where tweaking existing design solution)	27 hours

The results from the programme

In total, sixteen companies have participated in the programme. All the participating companies have used the results from the communication agencies and produced new marketing materials that will strengthen their products visibility and attractiveness. They have also strengthened their knowledge and their client expertise in marketing and sales communication.

For some companies, we can already see increased sales figures today. We expect more positive results and feedback over time.

Bramley's – one of the participating companies

Bramley´s is an apple growers company owned and operated by Joacim and Fiona with two employees. The apple orchard today consists of 20 000 apple trees with 100 apple varieties, 700 pear trees and blueberries.

Their premium quality is picked from trees and is sold fresh. The rest is used for fresh juice production flavoured with Swedish berries and apple mulled wine. Everything is made without sugar and preservatives. The company is in a growth phase, and in 2018 new modern production facilities were built.

Bramley's needed to refresh their marketing communication. They also wanted a new assortment for restaurants with premium-design in bottle and labelling. With consulting within REFRAME project and our programme Bramley's was advised to make a more cohesive design in logos, labels, marketing materials and storytelling around the company. In autumn 2018 new labels were created, both for retail and premium assortment for foodservice.

Joacim at Bramleys says:" The change of design on our labels has given a sense of higher product quality. And with two different range of products we can be more specific towards our target groups. We are experiencing an increase in our sales. In what extent our change of marketing contributes to the sales increase, I can't say. But we are convinced that it matters."

Next step

The implemented programme with 16 companies was a try-out within the project REFRAME. Both we as project owners, and the participating companies, were very pleased with the set-up and the outcome. We have continued offering a similar programme to small food producing companies in West Sweden. In the current concept, the companies will not receive any subsidy, but will have to pay the full cost of the advertising agency's work. We still do not now how much this will affect the companies' interest in participating in the programme.

Do you want to learn more?

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Friday Local Food Market at supermarket Citygross

By: Cecilia Faktus, Lokalproducerat i Väst.

The retail store Citygross in Kungälv, West Sweden, have for several years provided their customers with a wide range of regionally produced food. The share of regional products in the assortment today is about five percent. Active co-operation with Locally Produced in West (Lokalproducerat i Väst) - a resource centre for small-scale food producers in Region Västra Götaland, Sweden, has been a success.

Advisory services to shops and producers

Many producers needed basic knowledge regarding for example jurisdiction in agreements and common delivery terms. In order to help the producers and the retailer in the best way, Locally Produced in West (LPIV) started to give guidance in groups. Staff were trained and the suppliers were educated in product development, packaging and necessary certifications. Written routines were also made to avoid disagreements.

A big event was arranged on the Swedish National Day, 6th of June, focusing on local food. The participating producers were active in the retail shop during the day. It was a great success and got a lot of publicity at retailer´s head quarter and news from it were nationally spread within the retailer group Bergendahls.

To keep up the interest for local food by the retail store Citygross Kungälv LPIV helped suppliers and retailer with a plan of in-shop product presentations for coming weeks, every week presenting a new local producer for the consumers. This took relatively lot of effort from the producers and it showed to be not as attractive for consumers as expected.

This was when the idea of in-shop Friday Local Food Market came up. Built on the concept from 6th of July a more efficient form with every Friday Local Food Market where 4-7 producers came together for a joint local food presentation. Producers split up their participation and presented instead of single products, inspiration for the Friday local meal menu for the consumers. Menus that could have in season or festival themes

Again a success in the retail store with focus on cooking and taste more than product and price. This way of presenting products proved to be more cost-efficient for the producers and created a more spectacular event in the retail shop, appreciated by the retailer and consumers. This became a pilot-test approved and now under rollout on several Citygross retail stores.

Seeing the whole process, we have contributed not only practical but also increased understanding and ongoing communication throughout the value chain, not only in a small local perspective but for a retailer group such as Bergendahls. This shows that local ideas and concept can be successfully extrapolated and visualizing the added value of local engagement and local food.

What results have been achieved?

- The relationship between local producers and the staff working in the store has been strengthened. It is a success factor to involve the entire staff so that everyone works towards the same goal – in every department, in all external communication and in the meeting with the customer on the shop floor.
- The number of local suppliers that will become central suppliers to the retailer Bergendahls, have increased. Until now 28 local food producers have signed an agreement.
- The product demonstrations in the store are more efficient both in terms of attractiveness and costs.
- The suppliers' understanding of how it is to run a retail store have increased. Eg. it is difficult and expensive for the store managers to keep track of a wide and deep assortment with many items.
- The producers have learned ways to find space in the local retail shop, ways that gives both producer and retailer benefits from selling local products.
- By meeting the customer demand for more local food in retail stores with presence, inspiration and taste both the retail shop and the local producers are highlighted in a good sense of added value.

Next steps

The work has continued with close cooperation between stores and producers. One Friday a month, the stores still have local producers who demonstrate their products. The proportion of local producers is increasing and consumer interest is high. A procurement fair was organized by LPIV, at which about 30 producers were given the opportunity to show their goods to the stores. In spring 2020, locally produced "Shop in Shops" will also be arranged in the larger stores.

Do you want to learn more?

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