



LARIVE
INTERNATIONAL

Fish Branding Tanzania

Marketing strategy

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Rationale for this report

Lack of branding and marketing of farmed fish in Tanzania.

Tanzania's fish farming sector offers great potential for economic growth and providing food security. The country's climate is ideal for farming of local species such as tilapia and African catfish. As well, the demand for fish is rising steadily due to population growth and rising incomes. This rising demand is not sufficiently met by production from wild catch as fish stocks in natural water bodies are being overfished. These combined forces have been driving up fish prices, making them increasingly unattainable for lower- and middle-income segments of the population.

Despite the fish market demand gap (estimated at a staggering 480,000 tons), the local fish farming sector has not managed to capture a significant part of the market. Aquaculture is responsible for around 1% (or 3,942 tons) of total fish production in Tanzania as consumers still rely on inland fisheries from Lake Victoria (85%) and marine fisheries (14%) for local fish consumption. The far majority (91%) of small-scale fish farmers in Tanzania sell their fish within their own locality, with the remainder being sold on nearby markets.

Imported frozen fish from China is filling the growing demand gap. In 2017 alone, Tanzania imported 1,636 tons of frozen tilapia, being a 10-fold increase compared to 2014. Practically all imported tilapia comes from China. China has a very competitive industry and brings products on the market for prices (even as low as 1 dollar per kg) which are hard to compete with. Replacing food imports by local production is one of the key priorities of the Tanzanian government as the local aquaculture value chain creates quality jobs, economic growth, and food security. Furthermore, only relying on food supply from imports is risky as fluctuations in exchange rates and global market dynamics can abruptly stop the ability to import food.

Access to markets and receiving the right price for farmed fish is essential for a thriving fish farming sector. Farmers must position their fish well in the market as they compete against wild catch and imported fish (a global commodity). Yet, farmers and traders currently lack the strategies and tools needed to effectively position their local fish on the market. There is much room for improvement regarding marketing & branding, both online and offline.

This report will provide the insights and tools needed for fish farmers to develop an effective marketing and branding campaign. To increase the effectiveness of this report, an easy-to-understand marketing brochure has been developed that summarizes and visualizes the contents of this report. This brochure is available upon request.



Executive Summary

Marketing and branding of fish in Tanzania

- All fish farmers in Tanzania differ in their business characteristics. Therefore, a fish farmer is advised to carry out their own market research, to whichever scale, and design their own marketing campaign suited to the needs of their target market. This marketing strategy and the market information presented in this document can help to inform fish farmers.
- In general, the market demands fish in a size from 300 to 500 grams. There is a preference for fresh fish, which is currently not available on the market. Most tilapia is purchased by middle and high income consumers, as low income consumers buy the cheaper catfish or Nile perch instead. In order to target the low income group, a fish farmers needs to be able to sell his fish below 5500 Tsh/kg.
- At low volumes, targeting a lucrative niche is advised to fish farmers. There is a premium market for fish of 500 grams. Another method to attract a premium is through the provision of live or fresh fish.
- For live fish, it is advised to target Chinese or Indian subcommunities in the country, as these are more familiar with this product. These can be reached either through home delivery or by setting up a live fish outlet.
- Nearly all tilapia is currently sold frozen. Selling high quality, fresh tilapia is a clear market opportunity. This can either be sold at farm gate, through setting up outlets or through home delivery. A promising approach can be to supply local premium butcher shops with high quality fresh fish. These butcher shops can serve as the designated seller of your premium fish, which will enable brand development. Marketing support in the form of banners or other is advised then.
- Targeting supermarkets is not advised, as there are only a few supermarkets in Tanzania that are characterized by low turnover and poor payments.
- Four Unique Selling Points (USP) were identified for Tanzanian fish farmers. These are the Tanzanian origin, Freshness, Healthiness and Traceability. These four USPs can serve as the starting point for a marketing campaign.
- In order to build a brand, a product must be recognizable to consumers. In the Tanzanian context, where most tilapia is sold whole and unlabelled, this poses a challenge. There are different ways a farmer can still communicate his brand. This can be either through choosing a sales channel with direct contact to the consumers, such as home delivery or own designated own outlets, or by adding traceability to packaging through for example so-called gill tags.
- Critical to the sustainable development of an aquaculture industry is a strong home market for fish. Right now, with a fish consumption of 7.2 kg/per capita/per year, Tanzanians still consume relatively little fish compared to the African or the world average. Therefore, in terms of a social media campaign strategy, we advise Tanzanian policy makers to focus on a campaign focussed on the general consumption of Tanzanian fish, not differentiating between the different production methods. This will grow the entire market available for all parties involved and not cause conflict among stakeholders.
- An example of such a campaign can be found in Egypt, where tilapia was introduced as a premium product or in Kenya with the Eat More Fish campaign.

1. Introduction

Fish marketing in Tanzania

No silver bullet for a fish farming marketing strategy

- Developing a single marketing strategy to be adopted by all fish farmers in Tanzania is unfeasible and unwanted. There is no silver bullet to the marketing and branding of fish, as each fish farmer differs in their location, business structure, product characteristics and financial capabilities.
- Therefore, these fish farmers should individually critically evaluate their different target markets and consumers.
- However, within this document, we will suggest different market strategies that can be adopted by fish farmers in Tanzania. Moreover, we will provide in depth information on the current aquaculture market in Tanzania and high potential product/market combinations.
- In order to identify their best branding strategy, we advise the following steps to be taken by fish farmers:
 - Step 1: Reflect on your product
 - Step 2: Find your unique selling points
 - Step 3: Create an overview of who you can sell to.
 - Step 4: Link your USPs with your target markets
 - Step 5: Test your target market
- These steps are further elaborated upon in the Training Manual in fish marketing, a separate document available on request.



Methodology

Basis for this marketing strategy

- Key to a well-developed marketing and branding strategy is a high degree information on the target market and the consumer base. The marketing strategy in this document is based on insights gained from four different sources:
 - A market study to the consumer preferences for tilapia and catfish, with an emphasis on origin, production method, size and product form, carried out by Larive in January 2019. For this study, a 139 consumers and an additional 22 fish retailers and traders were interviewed. Data collection was carried out in collaboration with the Sokoine University in Tanzania and focussed on three districts in Dar es Salaam.
 - Interviews with four industry experts in September 2019.
 - Interviews with 12 with experts from mainly Tanzanian or East African value chains in September 2019.
 - Review of 5 case studies from Egypt, Zambia, Ghana and Malawi in September 2019.
- Moreover, the strategy has been validated with commercial aquaculture farmers and marketing experts from Tanzania. A full list of these can be found in Annex 1.
- However, markets are highly dynamic and change over time. Therefore, fish farmers should always validate the results of this research to the current market conditions.



Figure 1. Map of Dar es Salaam.

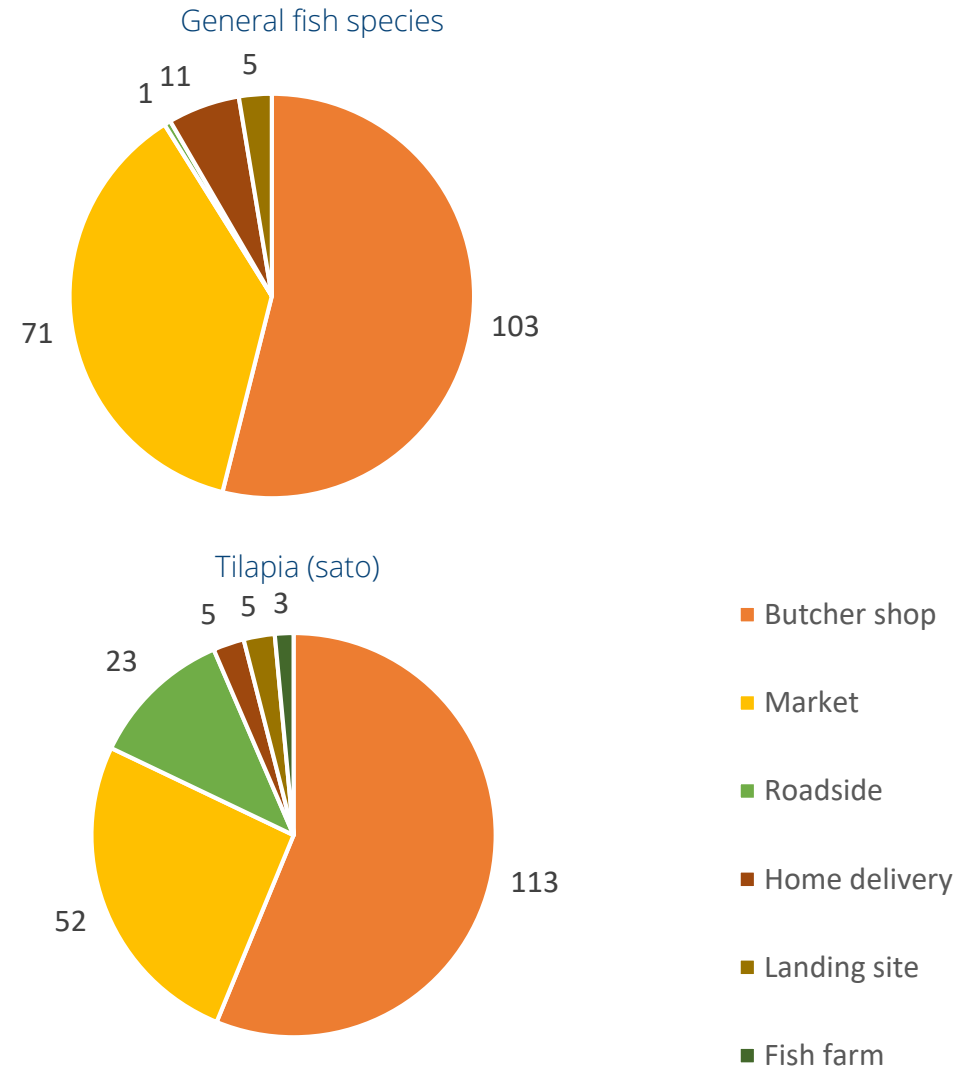
2. Market information

Overview of key nodes in distribution chain

Most freshwater fish is currently purchased at butcher shops.

- Most tilapia in Tanzania is currently wild-caught tilapia from the Lake region. Local butchers are supplied with produce either on a monthly or weekly basis. These butcher shops utilize their cold store facilities to sell tilapia and Nile perch in frozen form.
- Some butcher shops offer home-delivery of fresh produce or inform their customers directly of the possibility to purchase fresh fish on the day.
- As a coastal city, Dar es Salaam has many fresh fish markets. However, these markets primarily sell marine fish species, although tilapia can be found at the Kivukoni fish market.
- Near fresh fish markets, butcher shops selling Nile perch and tilapia can often be found. In the general food markets, such as in Kariakoo, Mwananyamala or in Msasani, vendors selling small fried or dried tilapia, catfish and other fish are present.
- A trickle-down value chain is also present, where the butcher shops sell their leftover or bad fish to vendors, who deep-fry and sell them in roadside stalls or as hawkers.

Figure 2. Purchase locations of different fish species

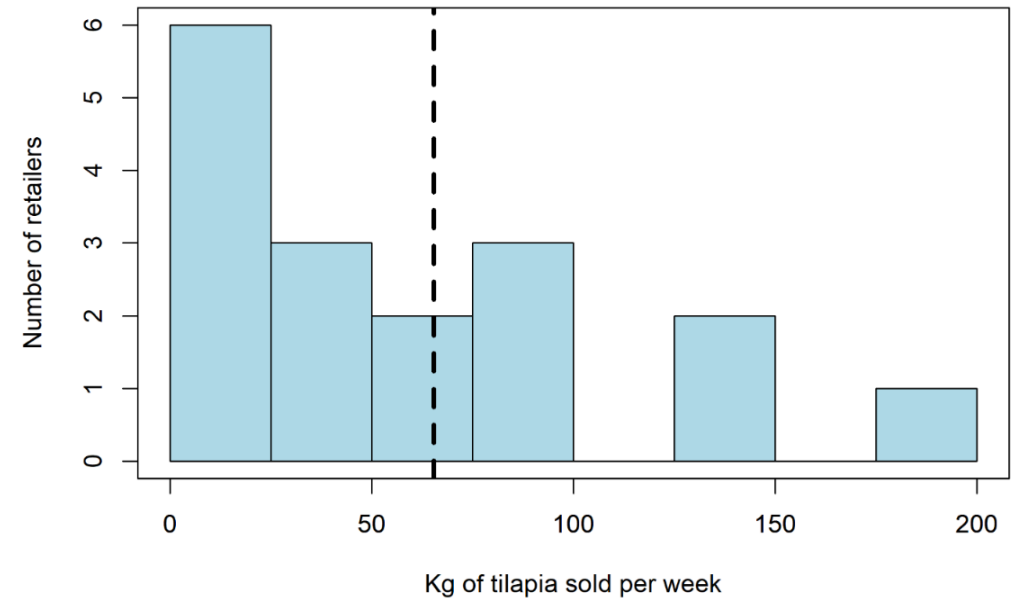


Overview of key nodes in distribution chain

Significant differences in volumes traded by butcher shops.

- The volume of sales by individual vendors differs significantly. Interviewed vendors on the general markets report selling from as few as 5 pieces to as many as 300 pieces of dried tilapia per week.
- This is similar for the butcher shops, where the lowest reported value was 5 kg per week and the highest 200 kg of frozen tilapia per week. However, the bulk of the butchers reported sales between 20 and 150 kg per week, with the mode value being 20 kg and the mean around 65 kg.
- Regarding the sizes sold by vendors, butchers indicate that they mostly prefer to sell fish in sizes ranging from 250 to 1 kg. 13 out of the 21 interviewed butchers reported a value in this range as their most preferred size for sale.
- There are indications that the prices are higher than normal in the final months of the year, from September to December. A third of the butchers interviewed indicated that the prices are higher during these months.
- All interviewed retailers claimed that their tilapia came from lakes and rivers in Tanzania. Moreover, most retailers interviewed are not willing to sell farmed fish. They primarily motivate this by a perceived lack of demand by customers and to a lesser extent a bad taste attributed to farmed fish.

Figure 3. Histogram of kg of tilapia sold per week by interviewed vendors. The dotted line indicates the mean value of 65 kg.



Overview of key nodes in distribution chain

New import levy on foreign imports provides an opportunity for fish farmers

- Currently, there are no foreign tilapia imports as a result of a newly imposed import levy on fish. This is causing a shortage of fish in the country, especially for those customers in need for processed fish products such as fillets.
- Most fish farmers do not actively plan their sales before the end of their production cycle. Most farmers pass around fish shops and hotels asking for those who need tilapia.
- In the end, many sell their fish in bulk to the larger fish traders, who pay 2,500 TSh/kg less than the going wholesale price of fish (5500 TSh/kg instead of 8000 TSh/kg)
- As mentioned by a large fish trader: "Local farmers who farm tilapia sell in bulk to us. They bring their tilapia here, we don't fish ourselves but we provide transport with insulated trucks. If they are located outside of Dar es Salaam, the farmer has to pay for fuel for transporting the fish to our industry- we provide the cars and the farmers pay for fuel."
- Other tilapia comes from Mwanza and Musoma. This tilapia is frozen before they are transported in a lorry to DSM, where they arrive in a frozen condition and are kept in freezers.
- Fish farmers should position themselves between wild and imported, as a fresh, local product.



Overview of market preferences

A general preference for tilapia between 300 to 350 grams

- Most retailers indicate that they mostly prefer to sell tilapia in sizes ranging from 250 to 1 kg.
- 13 out of the 21 interviewed retailers reported a value in this range as their most preferred size for sale.
- The preferred market size is between 300-350 grams. As quoted by a major fish trader: *“When we bring those small (3 tilapia= 1 kg size) size of tilapia they sell fast. Many business people who run restaurants like them because they are liked by their customers”*
- There is a small premium market for quality fish of 500 grams. Some consumers, estimated to be 23% of the market in Dar es Salaam, are willing to pay 2,000 TSh/kg more for a 500 gram fish compared to a fish of 300 grams.
- The sale of tilapia (known locally as sato) smaller than 25cm is officially not allowed. However, this law is not heavily enforced in practice, with many retailers stocking smaller sizes. These smaller sizes are also sometimes sold under the name “perege”.
- There is a general perception that tilapia (sato) is an expensive fish. This can be attributed to the relatively large minimum size of tilapia sold on the market, meaning that the price per fish is relatively high. Yet, the price per kg of tilapia is comparable with perceived cheaper fish such as Indian Mackerel (locally known as kibua), but these latter fish species are sold in smaller sizes.



Overview of market preferences

Price of tilapia is generally around 10,000 Tsh/kg

- In our survey, consumers report prices ranging from 6,500 Tsh to 12,000 Tsh per kg. Most of these reported values fall in the range from 9,000 to 10,000 TSh; where 10,000 TSh/kg is the most often reported price with nearly 2/3 of all reported values.
- No significant regional differences in price for tilapia between Kigamboni, Temeke and Kinondoni has been found.
- The interviewed retailers report similar prices as the consumers. Their reported wholesale prices range from 7,000 to 9,000 TSh/kg, with most prices ranging between 7,500 and 8,500 TSh/kg.
- They report to sell their tilapia in a price range of 7,000 to 12,000 TSh/kg. Within this range, prices of 10,000 and 12,000 TSh/kg are most often reported.

Figure 4. Retail prices of tilapia as reported by consumers.

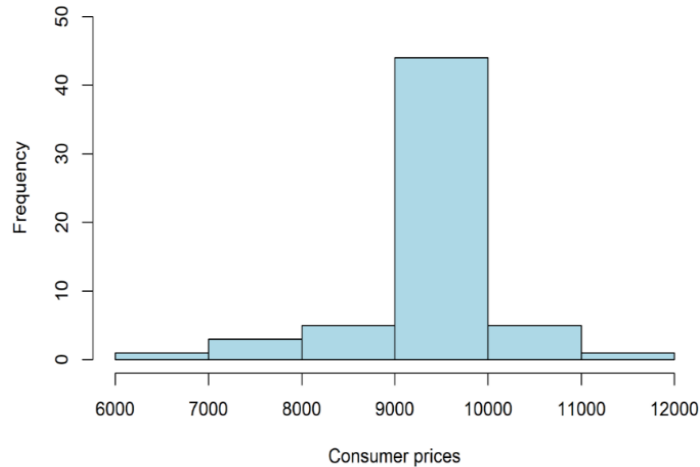


Figure 5. Wholesale prices of tilapia as reported by fish traders.

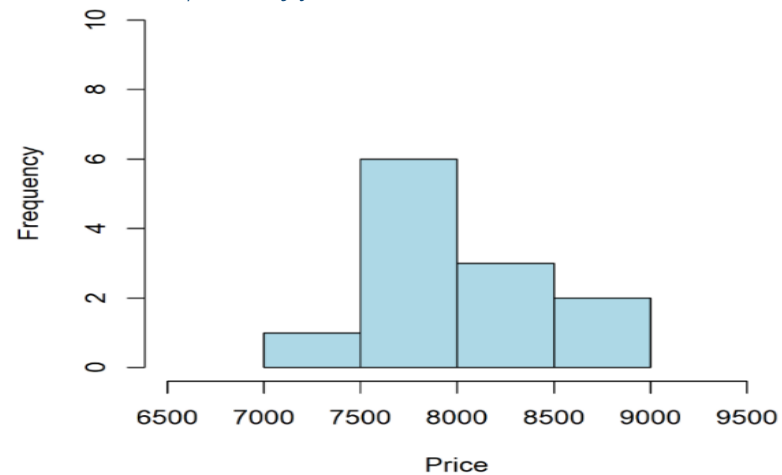
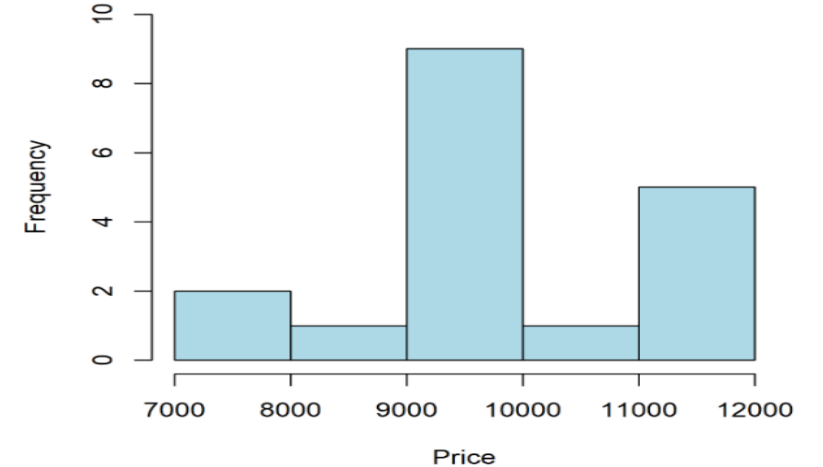


Figure 6. Retail prices of tilapia as reported by fish traders.



Understanding the market

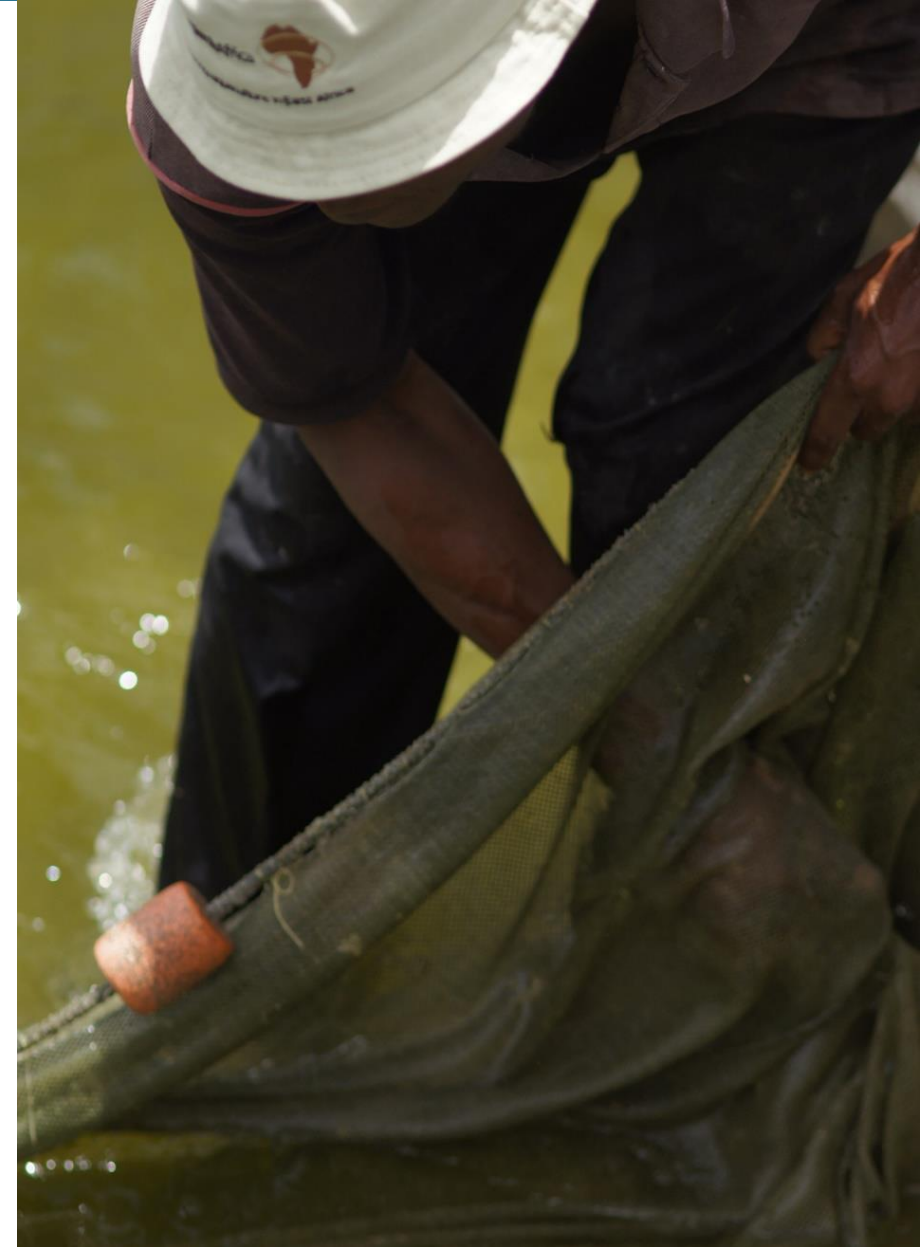
Wild caught fish is most preferred by consumers.

- Consumers prefer wild-caught fish, followed by farmed fish and imported fish.

- Some people do not like the taste of farmed fish or are doubtful on what do they are fed. On social media stories are spread that farmed fish are fed chemicals or drugs.

- Fish traders seem more concerned than consumers on the origin of the fish, as they believe that their customers do not want to buy farmed fish.

- Different market segments can be identified for the different origins:
 - Locally farmed → average income people, neighbours and neighbouring communities.
 - Wild catch → high income households, hotels.
 - Import frozen → low income households because of its low price and hotels for fillets.



Understanding the market

Four distinct consumer groups can be identified.

Within our research, we have identified four distinct different groups of consumers. We grouped these consumers to the importance they give to the following attributes: Origin, Size, Product form and Price.

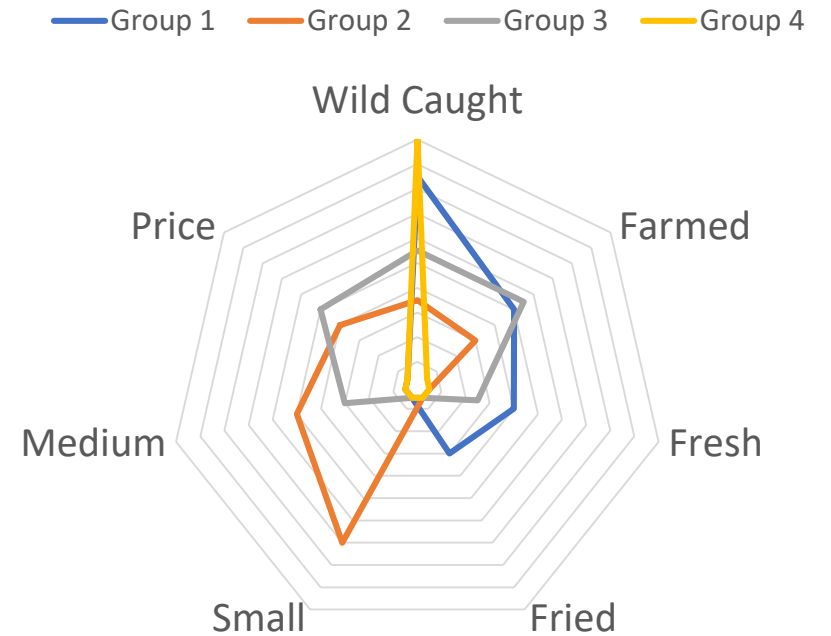
Group 1:

- Wild-caught, fresh tilapia from Tanzania is most preferred by group 1. To a lesser degree, farmed and fried tilapia is preferred over frozen and imported counterparts. Size and price are not very important. Group 1 is the largest group with an estimated 44.5% of the interviewed consumers.
- Consumers in this group are most likely from either Kigamboni or Kinondoni. It is the group with the most men, that are likely to have finished education beyond a primary level.

Group 2:

- This group prefers domestically produced, small fish. They do not differentiate between tilapia from a farmed or wild-caught origin, but are less likely to purchase imported fish. They care about price, but not about the product form. Overall, this group cares the least about the origin of the fish. It is the smallest group, estimated to be 16% of the interviewed consumers.
- Consumers in this group are most likely from Temeke or Kigamboni. Generally not asking for the origin of the tilapia and consuming fish less frequently, this group seems to be the less involved consumer.

Figure 7. Relative importance of different attributes to consumer groups



Understanding the market

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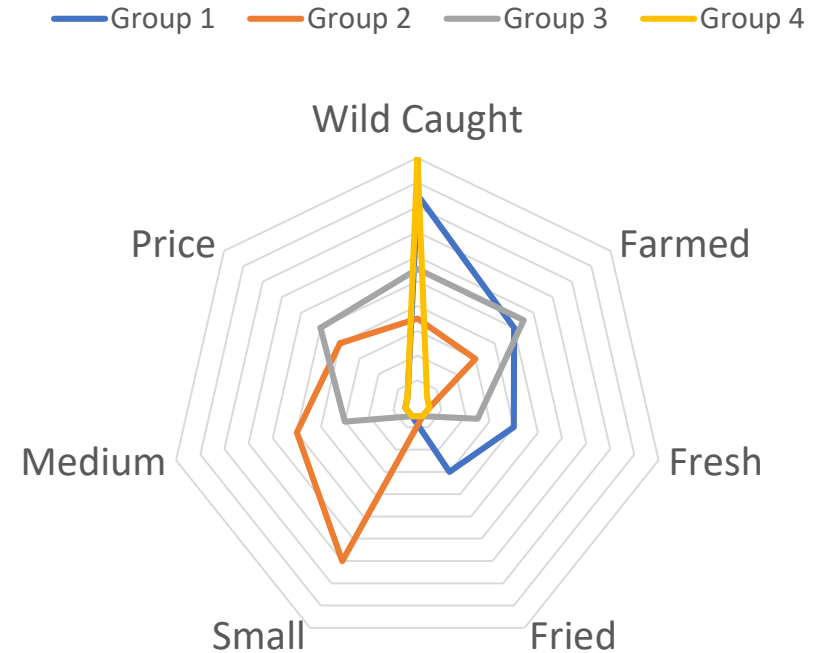
Group 3:

- This group has a strong preference for Tanzanian fish, regardless of whether it is farmed or wild-caught. Moreover, they prefer the medium size and fresh fish over other sizes and forms, with the price also being important. With 23% of the interviewed consumers, it is the second largest group.
- Consumers in this group are most likely to be from either Kigamboni or Temeke. With fewer fish traders in this class and fewer women, these respondents are also likely to have finished secondary education or higher. Asking for the origin is a relatively important factor in whether respondents are in this group, meaning they are relatively informed about origin.

Group 4:

- Consumers in this group seems to only care if the fish is wild-caught and from Tanzania. Other product characteristics, including price, are not of significant importance. This group is unwilling to trade-off and will only buy wild-caught fish. With 17% of the interviewed consumers, this is a smaller group but still substantial in size.
- Consumers from this group are most likely from Kinondoni. Those with a lower income are likely to be in this group, as are those that have finished secondary education as their highest education level. As well, this group has a higher number of fish traders and try to be informed by the origin of the fish.

Figure 8. Relative importance of different attributes to consumer groups



Income groups

Middle and high income groups mostly purchase tilapia.

Low income

- The bulk of the consumers in Tanzania can be characterized as low income consumers. These consumers generally only make their purchasing decisions based on the price of the product.
- For many in this consumer segment, the current market price of tilapia is too high. This is also due to the available sizes of tilapia on the market. Most tilapia currently on the market is around 500 grams in size. Purchasing a tilapia of 500 grams at the current market price of 10,000 TSh/kg would cost 5,000 TSh/kg. This is a considerable sum, especially for the lower income groups.
- Low income consumers substitute tilapia for catfish and Nile perch. Therefore, fish farmers need to be able to produce at a price point of 5,500 TSh/kg to be effectively targeting this consumer group.
- When targeting this income group, an effective marketing strategy is to emphasize the meals that can be made from a product.

Middle income

- Tilapia is considered a relatively expensive fish in Tanzania and is therefore mostly bought by middle and high income consumers. These consumers value fresh and quality tilapia. In terms of size, a tilapia of 500 gram is most preferred. Most purchases of tilapia are made by those familiar with freshwater fish or by ethnic communities.
- Tilapia is popular in Chinese and Indian communities. These communities can be targeted through innovative product forms, such as live fish selling, or through home delivery.

High income

- The premium market is relatively small in Tanzania and considered highly elastic in price. There are only a few supermarkets that sell high-value products. However, there are a considerable number of restaurants and resorts, especially on Zanzibar.



Figure 9. Kivukoni fish market in Dar es Salaam, Tanzania.

Understanding the market

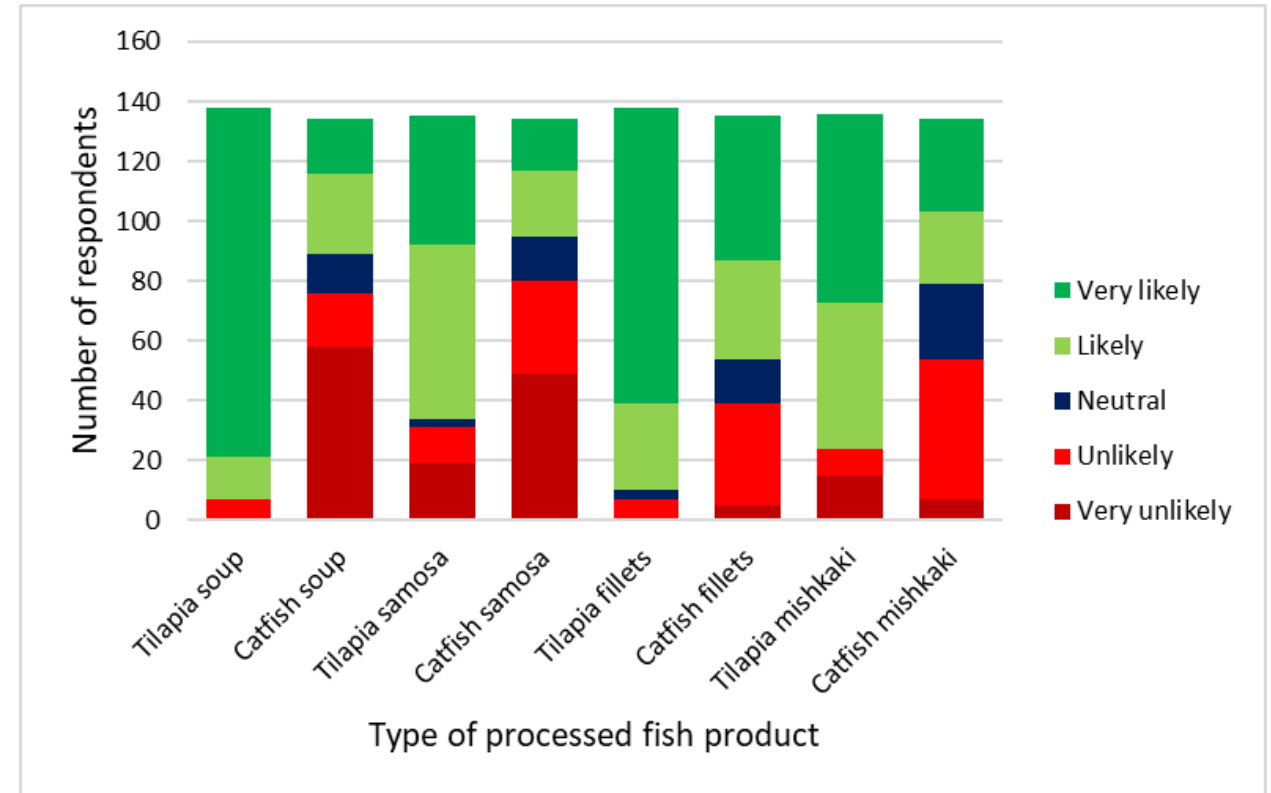
Fresh fish is most preferred by consumers.

- Currently, the market is dominated by frozen, whole tilapia. Fillets are sold to supermarkets and large hotels.
- Because of its high price, most consumers cannot afford fillets.
- Fresh fish is preferred over frozen by consumers.
- Some consumers are willing to pay around 1,300 TSh/kg more for fresh fish over frozen fish.

Figure 7 shows the likelihood of purchase by consumers for different processed fish products.

- **Tilapia soup**, a common product already sold in restaurants, is a high potential product.
- **Catfish fillets** are the most likely catfish processed product to be bought.

Figure 10. Likelihood of purchase by consumer for different processed fish products.



Competition analysis

Imported fish cheaper yet not preferred by consumers.

- In general, Tanzanian consumers do not like imported fish.
- Some consumers are willing to buy imported fish if it is 1,500 TSh/kg cheaper than wild caught fish.
- Before the levy, imported fish was supplying the low-income market.
- Imported fish is preferred by some hotels because of its constant supply, size and quality.
- The imposed import levy of 2,500 TSh/kg is currently stopping imports of fish.
- At the moment, most locally farmed fish is of a very small size.

Table 1. Sourcing prices and sizes of a major fish trader in Tanzania prior to the imposed import levy.

| | Size - Grams | Price – Per Kg/Tsh |
|----------------|---------------|--------------------|
| Chinese import | 200-300 grams | 4500 |
| Locally farmed | 130-200grams | 5500 |
| Local wild | 500 and above | 8000 |



Competition analysis

Low-income consumers substitute tilapia for the cheaper Nile Perch and catfish

- Nile perch (Sangara) and Catfish (Kambale) are identified to be the main substitutes for tilapia. These are especially popular with low-income consumers, as illustrated in figure 9.
- Low-income consumers currently buy these products instead of tilapia but will buy tilapia if the price was low enough.
- Indian mackerel is also a cheap and popular product, which was imported in large volumes before the newly imposed import levy.
- Catfish and Nile perch are sold for 5500-6000 TSh/kg in Dar es Salaam. Thus, In order to be able to target the low-income households, representing the bulk of the market, the price of tilapia needs to be below or in this range.
- Vendors selling preserved fish indicate that catfish is their best-selling product, above tilapia and Nile perch.

Figure 11. Most bought fish species by tilapia consumers.

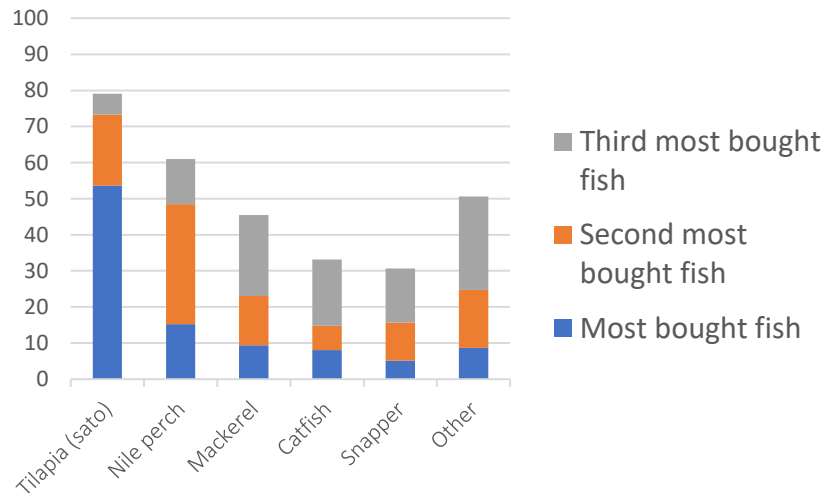
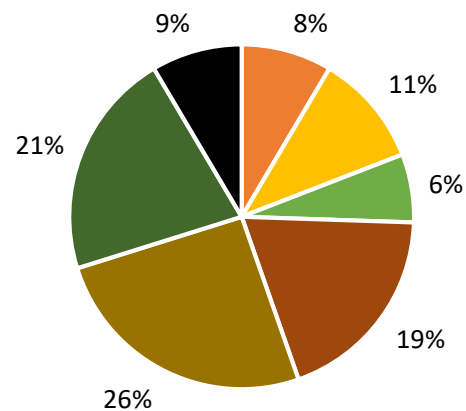
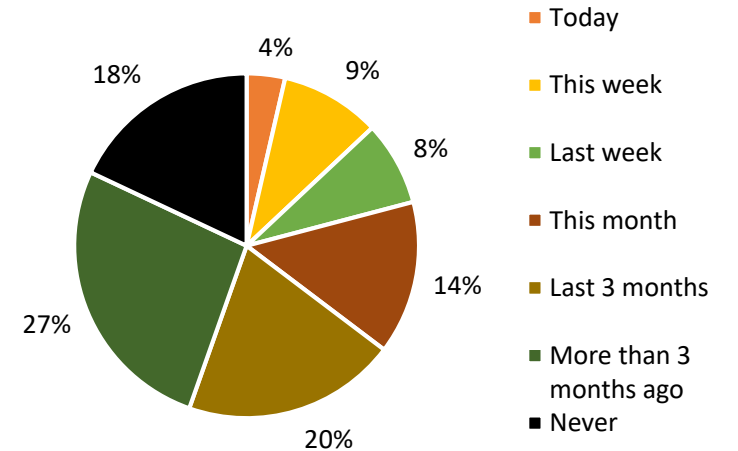


Figure 12. Last moment of catfish purchase by consumers

Low income consumers



All consumers



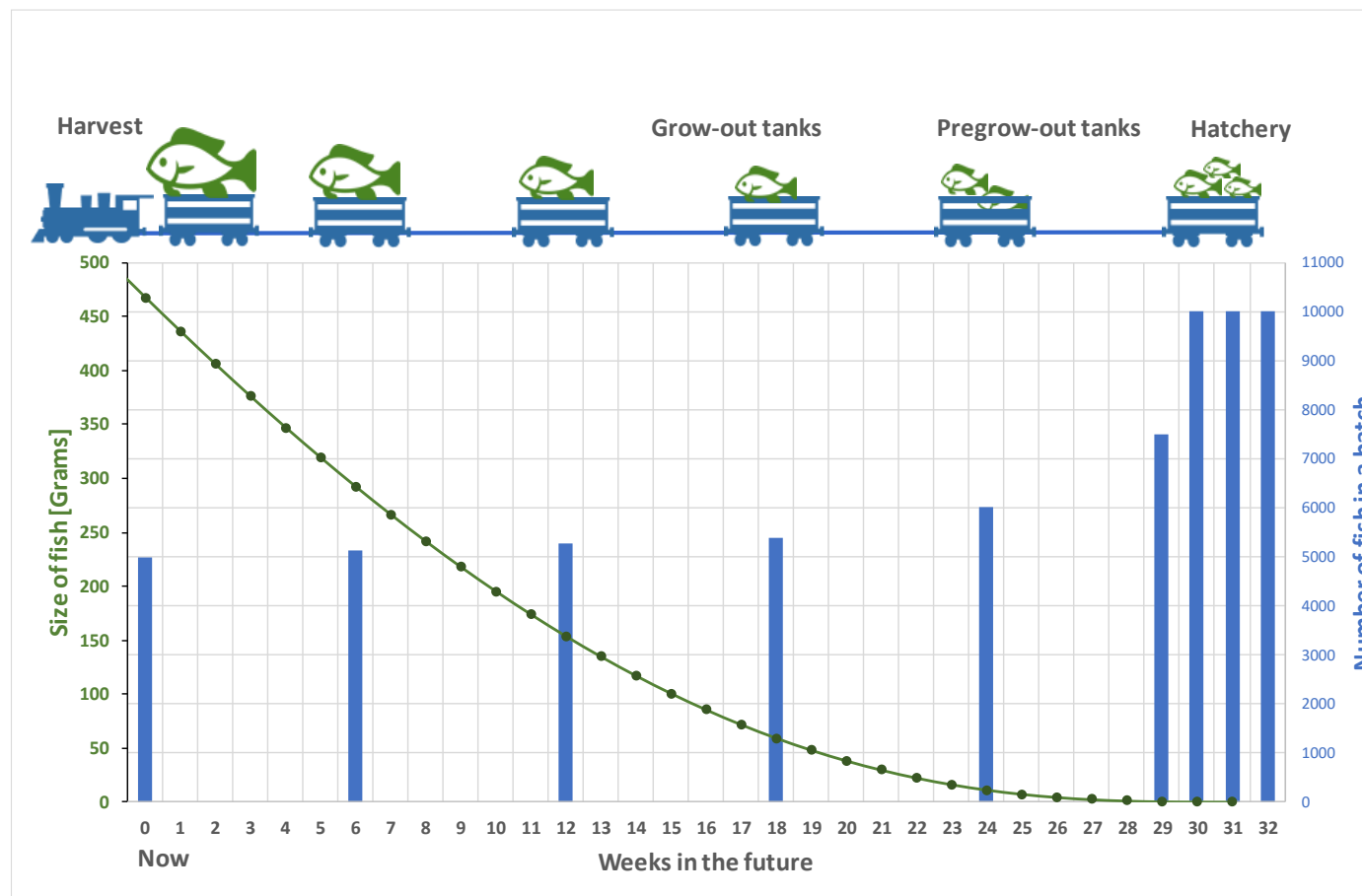
3. Marketing strategy advice

General recommendations for marketing

Production planning is essential to successful fish farming

- In general, the most important step for fish farmers in Tanzania is to consider marketing throughout their production process.
- Planning is essential in farming fish. As illustrated in figure 10, it takes 6-8 months from hatching to market size. All this time, you have to feed the fish and buy fish feed.
- The choice for where you sell your fish directly impacts the type and size of fish you want to produce. Therefore, it is essential to have considered where to sell the fish before you start growing the fish.
 - Different market segments require different sizes of fish. A restaurant serving a customer wants a different size of fish than an individual consumer purchasing a fish for the entire household.
- In order to effectively plan and grow your business, you need to be able to be certain of revenue. Therefore, it is essential to make off-take agreements with possible buyers well in advance.
- Being able to deliver on your promises is key. In order to build a brand, you need a stable supply of consistent quality.
- It takes time to build a brand and a good name. However, this good name is easy to lose. Your best marketing tool is quality, producing a high quality product is key.
- If your farm is too small to ensure stable supply, it is advisable to coordinate and aggregate supply beforehand together with other fish farmers from a region. When aggregating supply, it is important to:
 - Ensure quality.
 - Make clear agreements on supply schedule.
 - Make clear agreements on pricing.

Figure 13. Growth and planning cycle of a fish farm. Figure created by Holland Aqua.



Unique selling points of farmed fish in Tanzania

Key unique marketing tools for fish farmers in Tanzania

In order to design a successful marketing and branding strategy, it is important to identify the unique selling points. These unique selling points differentiate the product from its counterparts on the market.

We identify the following unique selling points for fish farmers in Tanzania:

Tanzanian

- A quality product produced by Tanzanians, for Tanzanians will attract customers. As mentioned by one of the interviewees: "There is a proud little moment when we as Tanzanians see a well-packaged, clean and nice local product".
- We estimate the potential price premium to be received by branding locally farmed fish compared to imported fish to range from 1,277 TSh/kg to over 6,000 TSh/kg in certain consumer segments.

Freshness

- Fish farmers in proximity to Dar es Salaam have an advantage over imported fish and fish from Mwanza in terms of freshness. Emphasize should be placed on the date of catch, directly out of the water and onto the plate. This USP has been successfully used by fish farmers to promote fish farming in other countries such as Egypt.

Healthiness

- There is a growing group of customers, especially in the cities, that is looking for healthy products. White meat is seen as a healthier protein. As well, there is a growing concern about additives and chemicals in food. Thus, farmers should emphasize non-use of antibiotics. Emphasizing that fish is a power food, full with essential proteins and vitamins.

Traceability and transparency

- Farming fish close to Dar es Salaam offers unique possibilities for traceability and transparency. People can visit the farm and see how it is produced. Seeing is believing and taste is king in Tanzania, so fish farmers should show the high quality and good taste of their product. Let consumers taste your fish, either through restaurants, on-farm or at events.



**OUR
TILAPIA IS**

NUTRITIOUS

HEALTHY

PRESERVATIVE FREE

FARMED LOCALLY

Figure 14. Example of communicating farmed fish USPs.

Examples of communicating these USPs

Focus on health benefits by other regional fish farmers.

- There is a growing group of consumers in Tanzania who are conscious of their health and food safety.
- Within the region, many fish farmers try promote freshness and the health benefits of fish to reach these consumers.
- Other methods to emphasize the healthiness of fish is through sharing healthy recipes with fish.
- The pictures to the right provide examples of different advertisements that promote the healthiness of fish.



Biblical scholars believe that tilapia was the fish Jesus fed the crowds at the Sea of Galilee, hence its nickname, "St. Peter's Fish."

FISH FACTS!



Eat tilapia. Treat Thyroid Problems

Selenium promotes a regular functioning of the thyroid gland. Your metabolism thus boosts and combats factors that contribute to weight fluctuation along with health problems associated with thyroid malfunction.

Order your fresh Kenyan Tilapia today
+254 727 481280

Instagram: vicfarms Facebook: Victory Farms Ltd. #WeSpeakFish...

Include fish in your diet...
IT'S A HEALTHIER PROTEIN

MORE FISH + MORE EXERCISE = A HEALTHIER YOU.

YALEO
ZAMBIA'S #1 FISH!

Examples of communicating these USPs

Focus on local and fresh by other regional fish farmers

- Tanzanian marketing outings heavily feature the country. As described by some consumers, it leads to a moment of pride among consumers to see a well-packaged, nice product from Tanzania.
- The Proudly Tanzanian or Branding Tanzania campaigns both focus on the local origin. Although these campaigns are not large in scale, they are considered an effective marketing tool by food producers.
- The pictures to the right provide examples of different advertisements that promote the local origin of products.



Product form

Clear market opportunity in the supply of fresh fish in Tanzania.

- A fish farmer can choose to place their fish in different product forms on the market. Depending on the demands of their target market, the fish farmer should consider selling fresh, frozen, fried or in another form. The farmer should also consider whether to sell their fish whole or in some of processed form, for example gutted or scaled. This page outlines some important considerations to take into account regarding product form.
- Frozen tilapia is by far the most sold product form on the market right now. This is not due to a consumer preference for this product form but a lack of alternatives. A different logistical chain leading to the availability of other product forms could therefore result in a better match of supply with consumer demands.
- Fresh fish is most demanded by consumers in Tanzania. However fresh tilapia is currently not available in most of the country. Marketing fresh fish is a major opportunity for fish farmers in Tanzania. Fresh, high quality fish can attract a premium over frozen fish, estimated to be around 1,300 Tsh/kg in certain market segments.
- There is a potential market for live fish, especially among Chinese consumers. To deliver live fish, investments should be made in aerated tanks. Kinondoni could be a possible target area due to its high number of Chinese inhabitants.
- Ready-to-eat products are a growing and important market in East Africa. People want fried products so that they can instantly consume it. Fried tilapia is seen as a better product than frozen by most consumers and can attract a premium.
- Frozen fish has benefits regarding spoilage. If a frozen product form is chosen, emphasis should be placed on the recent date of catch. In other words, "From farm to table within 1 day".
- Restaurants and resorts are likely to want a specific product or size. By providing a customized services, such as a customized fish size, scaled, gutted or fillet, fish farmers can become the preferred supplier. Talking to the chef, and not the procurement manager, is key to finding out the specific needs and to receive a premium.

Figure 15. Live fish selling in Uganda.

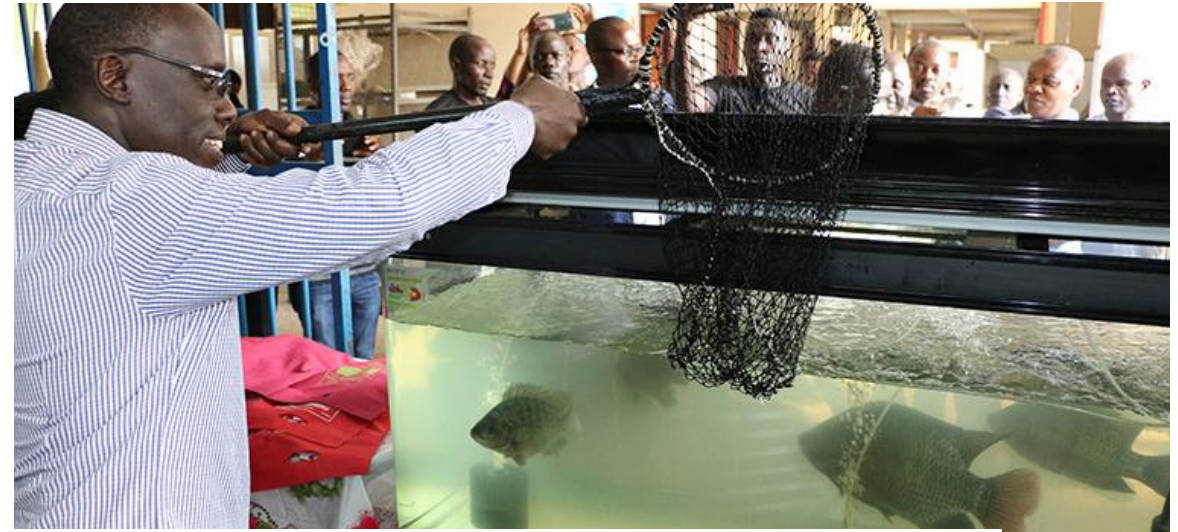


Figure 16. Live fish selling in Egypt.



Potential sales channels for farmed fish in Tanzania

Fish farmers should sell their fish through different sales channels.

A marketing strategy should be stooled on different sales channels for sustainability of the business. Targeting a premium, risky niche sales channel should be coupled with a stable revenue stream from another sales channel. The following pages will outline different sales channels available to Tanzanian fish farmers.

Butcher shops

- Tilapia in Dar es Salaam is predominantly sold in the butcher shops. Volumes differ significantly between different butcher shops.
- In certain higher income neighbourhoods, premium butcher shops can be found. These distinguish themselves through their cleanliness and quality of products.
- However, no butcher shop is currently selling fresh tilapia. High-income consumers are expressing a lack of high-quality, clean fish outlets. This could be a market opportunity.
- Butchers are relatively hesitant about selling farmed fish, but could be convinced by emphasizing a stable supply of fresh produce. This can be achieved through the following approach:
 - Choose designated premium butchers shops as your outlets → “Do your part and let others do theirs. If you do everything you lose.”
 - Become their preferred supplier or establish an exclusive relationship.
 - Provide marketing support, for example in the form of a branded freezer.
 - Use these butcheries as your distribution point and advertise them as your distributors.
 - Communicate people that your fish can be found there through social media and word of mouth.
 - Provide these butchers with a stable supply of fresh fish in the size of 300-350 grams.
 - This should result in them being able to ask higher prices and a premium for your product.
 - It is important to not sell your fish for a lower price at farm gate. If you do, you will start to compete with your designated butcher shops.

Figure 17. Regional example of a designated premium partner outlet.



Potential sales channels for farmed fish in Tanzania

Direct consumer contact can be an effective strategy to receive a premium.

Farm gate sales

- Farm gate sales are currently used by different fish farmers in Tanzania. These fish farmers are currently selling all their fish through direct consumer targeting with minimal marketing efforts but building on their good reputation.
- Farm gate sales enable transparency and direct consumer feedback. Tasting sessions or an on-site restaurant can be great branding and marketing tools and a way to protect a brand against bad PR.
- However, in a competitive market with many suppliers, farm gate prices are likely to be substantially lower. In many other agro-value chains in Tanzania, trader margins are large. As well, non-structured farm gate sales are unreliable.
- Therefore, when selling fish at farm gate, it is essential to make agreements and build relationships with off-takers during the production process, guaranteeing sales and prices.

Home delivery

- Home delivery is a very suitable channel for fish farmers to receive a premium for a part of their production. Weekly or monthly deliveries of fresh, high quality fish to customers is likely to be an effective marketing strategy.
- Interesting communities to target are the Indian and Chinese communities in Dar es Salaam. The target group is likely to be living in the same area. Therefore, a door-to-door approach providing samples near existing customers is likely to be an effective strategy to grow your customer base.
- To taste is to believe for Tanzanian customers, so a demonstration site or farm open to visitors can work very well in combination with a home delivery approach.
- In home delivery, it is important that you talk to the existing middlemen so that they don't see you as a competitor but as an opportunity.

Figure 18. Tanzanian example of farm gate sales.



Potential sales channels for farmed fish in Tanzania

Stable supply and volume essential to reach profitable niches

Integrated own outlets

- Integration of the value chain through setting up your own outlets gives control over your brand and image.
- Setting up own fish outlets also removes any middle-men from the value chain, potentially increasing profit margins.
- It also reinforces the imagery of the short distance from the farm to the table and provides direct contact with customers, making it an effective branding tool.
- This strategy has proven to be highly successful in neighbouring countries such as Rwanda and Uganda.
- However, it requires high investment costs and a stable supply of fish. Farmers should therefore have a significant production volume.

Food service

- High-end restaurants and resorts have a need for quality, customized products. A higher price can potentially be received by making agreements directly with these parties.
- It is essential to talk to the chef, not to the procurement manager. Ask what type of product the chef wants and what makes his life easier, for example:
 - Preferred size;
 - Preferred processing form (fillets, scaled, gutted, whole);
 - Quality and potential certification.
- Customize your production accordingly.
- Stable and reliable supply is key to keeping customers from food service satisfied.

Supermarkets

- There are only a few supermarkets in Tanzania, with low turnover. Payments are generally bad and late. Price elasticity is also reported to be high in this segment.
- Supermarkets do have an incentive to stock high quality products, as they have their own brand to protect.

Figure 19. Regional examples of outlets owned by fish farmers.



Corporate Social Responsibility

Local production for the local market

- Fish farmers have a corporate social responsibility. Farmers, especially cage farmers, use former public resources such as lakes to produce their fish. They are currently allowed to externalize their pollution costs to some degree on a public good and are dependent on their social license to operate to continue production. They therefore have an obligation to take their own social responsibility.
- As well, as a new entrant on the market, it is important to consider how you will position your fish. Existing industry players, especially from wild-catch fisheries, might resist this new product and try to frame it negatively. Giving attention to corporate social responsibility enables a farmer to respond to these claims through their own channels.
- A great example of a fish farm taking its social responsibility is Victory Farms in Kenya. Instead of exporting or setting up high-end retail chains, it has more than 2,000 women sell its tilapia throughout Kenya, including in Kibera, the biggest urban slum of Africa. The importance of a social license to operate for the smooth operation of enterprises in Sub-Saharan Africa has long been recognized, especially in the extractive industries, and new fish farmers are strongly advised to take note of this importance.
- Promotion campaigns through the organization of events can go also very well will building your brand.
 - Instead of combating the negative narrative, create a new, different, positive narrative instead.
 - Let people taste the quality instead of talking about it.
 - Direct the attention of the end consumer to high-quality products, as these direct the demand.
- To taste is to believe, so it is important to get to the consumers directly and have them taste your product. Barbecue events or food festivals can be good opportunities.

Figure 20. Example of a regional PR row between a new fish farmer and an existing fisheries company.



Malawian Company Fights For The Right To Brand Fish “Chambo”

post was last updated: November 8, 2014

A row has erupted between **Maldeco Fisheries** and a Zimbabwean fisheries company over the use of the name ‘Chambo’ as a brand name for fish from Zimbabwe’s Lake Kariba which is being sold in Malawi and other countries in the region.

Meanwhile, the Competition and **Fair Trading Commission (CFTC)** has thrown its weight behind Maldeco, saying it is “grossly misleading and deceptive” for the Lake Kariba fish to be sold as ‘Chambo’ which is geographically only found in Lake Malawi and nowhere else.

Lake Harvest – a Zimbabwean company, has over the past month been advertising and selling package fish in Malawi which it has branded as ‘Chambo’.

Traceability on the local market

Visual differentiation of fresh farmed fish from substitutes

- In order to build a brand, a product must be recognizable to consumers. In the Tanzanian context, where most tilapia is sold whole and unlabelled, this poses a challenge.
- There are different ways a farmer can still communicate his brand. This can be either through choosing a sales channel with direct contact to the consumers, such as home delivery or own designated own outlets, or by adding traceability to packaging.
- For this latter option, multiple methods can potentially be applied:
 - Tech based solutions
 - Tagging and certification
 - Packaging
- A concrete method for adding a label to fresh fish is the use of so-called gill tags, depicted below. These can be attached to fresh fish at a relatively low cost.

Figure 21. Ensuring traceability through packaging.



Figure 22. Ensuring traceability through the use of gill tags.



Figure 23. Ensuring traceability through own outlets.



4. Social media strategy options for policy makers

Social media strategy: Strategic options for Tanzanian policy makers.

Increasing the market size through the promotion of fish consumption

- Critical to the sustainable development of an aquaculture industry is a strong home market for fish. Right now, with a fish consumption of 7.2 kg/per capita/per year, Tanzanians still consume relatively little fish compared to the African or the world average.
- Therefore, we suggest that the most suitable approach would be the promotion of overall fish consumption.
- This would be focussed on promoting Tanzanian fish, without distinction between farmed and wild-caught fish. This latter choice is motivated by the limited supply of farmed fish in the country.
- On the basis of our research, we would suggest the campaign to focus on the following aspects:
 - Tanzanian;
 - Freshness;
 - Healthiness;
 - Ease of preparation.
- An example of such a campaign can be found in Kenya in the “Eat Fish for a Better Life Campaign”, of which a video is included on the right.

Video 1. Eat more fish campaign Kenya advertisement.



Social media strategy

Strategic options for Tanzanian policy makers

- The already active Branding Tanzania/Proudly Tanzanian campaign could be a great starting point for further implementation of this fish promotion campaign.
- Although the reach is limited of these social media channels, the brand Proudly Tanzanian seems to resonate with consumers and is being picked up by other private actors on their own initiative.
- The Branding Tanzania twitter account is very active and could be a further effective tool for a fish promotion campaign.
- To increase the reach, the inclusion of food bloggers can be very effective. These food bloggers have a substantial reach in Tanzania and are important influencers in the consumer purchase decisions in Tanzania.

Figure 24. Example of use of Proudly Tanzanian branding.



Figure 25. Example of use of Branding Tanzania on Twitter.



Do you know where to find the best Avocado in the world?

#Tanzania has since been known as an agricultural country with leading exports like tea, coffee, tobacco, sisal, flowers, Njombe Region is the major exporter of avocado in Tanzania.

#TanzaniaAvocado
#GrownInTanzania



Social media strategy

Strategic options for Tanzanian policy makers

- In order to improve the effectiveness and reach of the campaign, consumer advice on the purchase of fish and easy recipes for fish preparation should be included.
- Consumer purchasing advice has been very effectively used in a promotion campaign in Egypt, where it was combined with health advice.

Figure 26. Consumer advice leaflet used in Egypt.

Figure 25. Use of a famous television chef to promote fish.



Social media strategy

Strategic options for Tanzanian policy makers

- To convince consumers of purchasing a product in Tanzania, allowing them to taste the product is essential.
- Therefore, the effectiveness of the social media campaign would be greatly increased if it is coupled with real life events.
- An example of such a campaign can be found in Egypt, where tilapia was introduced as a premium product on different food fairs.
- In Tanzania, such a food fair could be for example the yearly Nyama Choma barbecue festival. This festival is also an opportunity for local fish farmers to promote their product.

Figure 27. Advertisement for the Nyama choma festival in Tanzania.

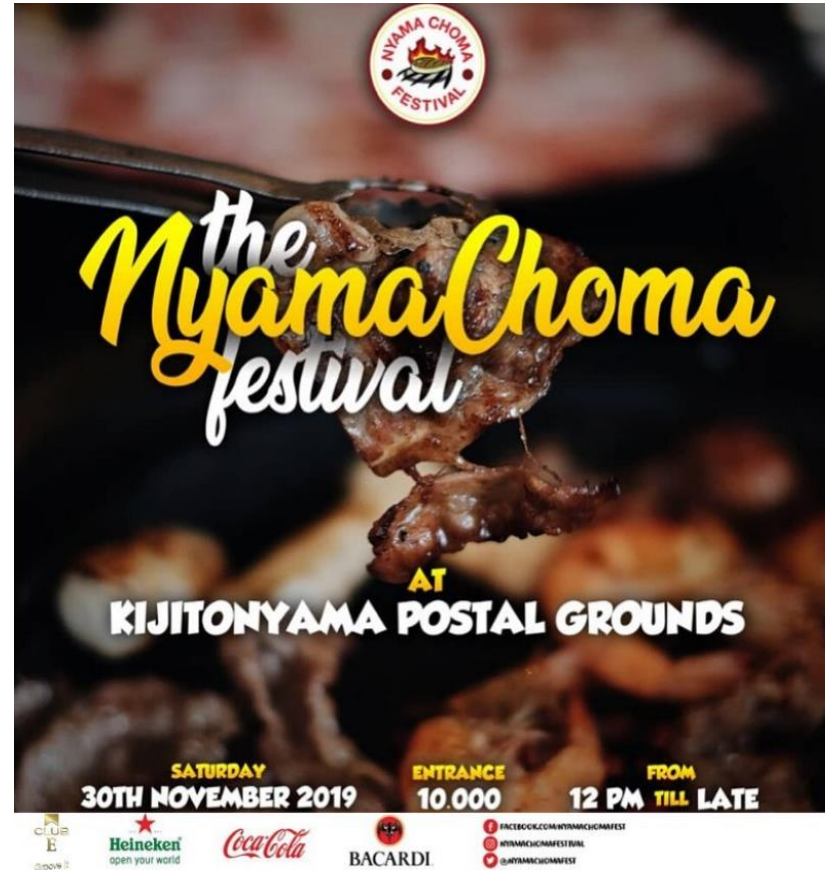


Figure 28. Picture from a food festival in Egypt where tilapia was promoted.



5. Annex

Annex 1: List of interviewed commercial aquaculture fish farmers and marketing experts in Tanzania to validate the marketing strategy.

| Name | Company/Profession |
|----------------|---|
| J. Arul | Director Indian Ocean Aquaculture |
| A. Nkinda | Owner Ruvu Fish Farm |
| J. Kinyaga | Owner Aquacom |
| J. Mang'ena | Director Aqua-Farms Organization |
| M. Assery | Technical expert Aqua-Farms Organization |
| H. Vishani | Director Rift Valley Aquaculture |
| P. Patel | Advisor Rift Valley Aquaculture |
| Z. Mndeme | CEO Righa's Safina's Big Fish Farm |
| A. Mndeme | Director of Operations Righa's Safina's Big Fish Farm |
| H. Bhagat | Director Bahari Bounty Group/VicFish |
| N. Bhagat | Marketing Director Bahari Bounty Group |
| Dr. Simtoe | Fisheries and Education Training Agency Tanzania (FETA) |
| G. Rucho | Aquaculture Association of Tanzania |
| A. Rwechungura | CEO ABC Bros Marketing |
| R. William | General Manager ABC Bros Marketing |
| I. Masha | Marketing Expert Tanzania/ Muhimbili University |

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