

Branded agricultural products

The case of branded South African mohair

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Introduction

- Mohair is the fleece of the Angora goat
- Originates from an Arabian word meaning “best fleece”
- Mohair is a unique and luxurious natural fibre and no other fibre, natural or man-made, has the same unique properties
- Mohair is sought after for its comfort, it being warm in winter and cool in summer and for being highly durable
- Mohair is used in a number of final products ranging from exclusive men's and ladies' wear to upholstery, curtaining and carpeting



Introduction



- The first Angora goats were brought from Turkey via Arabia and India to South Africa during 1838
- During 170 year period the industry has grow significantly with a peak production of 12 million kg's being produced in the late 1980's
- Current production is around 3 million kg's per annum valued at R235 million
- Currently South Africa produces around 60% of global mohair
- Majority of mohair is exported in raw or semi-processed format

Mohair products



Some principles of marketing agricultural products

- Researchers argue that an inappropriate marketing system for an item results in numerous inefficiencies
- Choosing an appropriate marketing system based on the “unit type” of the product
- Unit type is whether an item can be considered a “product” or a “commodity” and is based on the attributes of the item
- Applicable to agricultural products too



Defining commodities

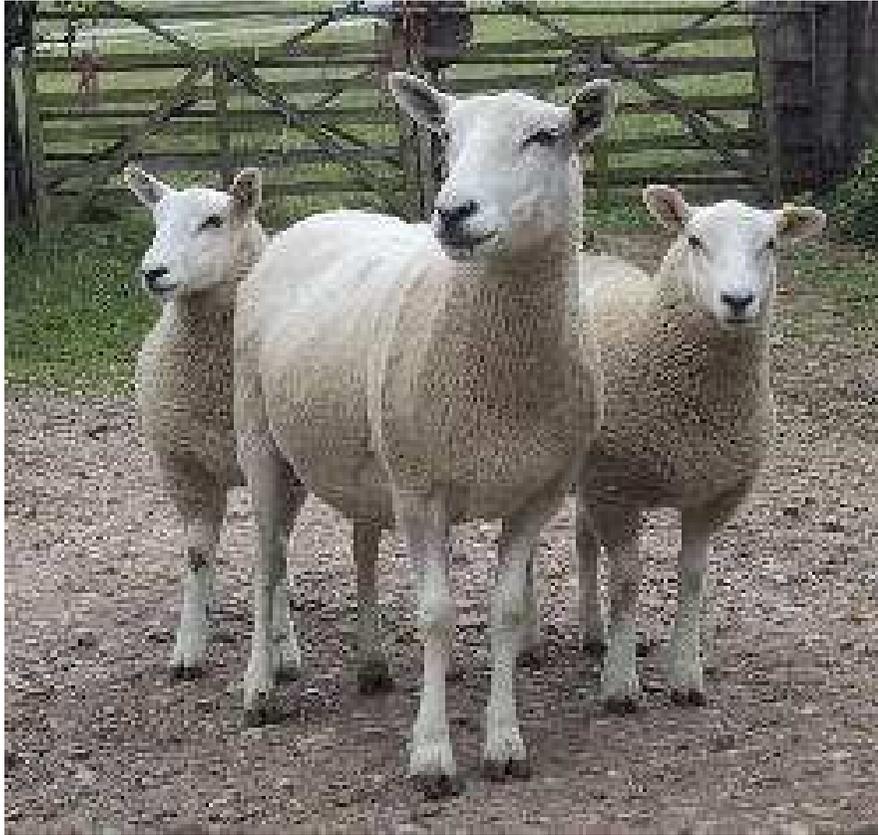
- Commodities are “materials in their natural state
- Homogenous without any differentiating attributes that are tailored to suit consumer wants and needs
- Exclusively physical materials, are available from many sources, are produced in large quantities and can be readily and objectively described
- Purchasing decision driven by price



Defining products



- Products constitute more than physical materials and include intangible attributes
- “A bundle of physical, service and symbolic attributes that satisfies consumers’ wants and needs”
- Products are generally highly differentiated (in response to the heterogeneous needs and wants of consumers)
- Not available in large quantities or from many sources
- Purchasing decision for products is primarily driven by the value that the consumer places on the item and not by price



Commodity

Product



Branding as a strategy for agricultural products



- ❑ Commodity markets have become over-saturated
- ❑ Over time commodity prices tend to decrease and margins become tighter
- ❑ Producers recognize that their future economic prosperity demands a switch from commodity trading to offering differentiated goods and services
- ❑ Branding has become a strategy to differentiate products, access new markets and improve profits
- ❑ Brand delivers consistently, a clearly defined, appealing offering that sets it apart from its competitors
- ❑ Primary component that makes a brand successful is differentiation or its personality

Branding as a strategy for agricultural products

- Implement concentrated strategy that focuses on creating real value for customers
- Branding needs to extend beyond the basic product
- Differentiation should be based upon genuine differences
 - ▣ Product attributes
 - Certifiable quality
 - Place of origin
 - Traceability
 - ▣ Experience it offers potential buyers
 - Service
 - Luxury
 - Exclusivity
 - Tailor made





Camdeboo Mohair – Branded mohair

Camdeboo Mohair business



- Producer driven enterprise
- Established in reaction to the deregulated marketing environment
- Representing a group of about 70 - 80 of South Africa's leading mohair producers
- Collectively Camdeboo producers produce around 600,000 kg's of the most exclusive, quality assured, mohair available in the world today
- This equates to 12% of the total global mohair clip and almost all of the most exclusive quality mohair available in the world
- Membership of the group is strictly controlled and prospective members are screened

Supply chain management

- ❑ Camdeboo marketing system “translates” tangible and intangible attributes through the supply chain
- ❑ Achieved by formal licensing agreements with clients who share similar “values” regarding quality of mohair
- ❑ Agreement allows licensed clients access to Camdeboo mohair and limited exclusive use of the Camdeboo brand name
- ❑ Camdeboo provides assurance that mohair (greasy mohair, top, yarns or fabric) is pure Camdeboo mohair



Camdeboo business model

- The Camdeboo business model was developed to achieve various objectives within the Camdeboo mohair supply chain. These include:
 - ▣ Safeguard quality throughout the supply chain
 - ▣ Ensure traceability throughout the supply chains
 - ▣ Maximize dividends for all supply chain role players
 - ▣ Develop capacity to address market gap for traceable, high quality mohair products



Camdeboo brand properties

- The Camdeboo brand is built on four brand properties that span the two primary activities
- Quality
 - ▣ Camdeboo consists of 80 of the best producers in the world
 - ▣ Camdeboo producers strive for a common goal as defined in the Camdeboo value system
 - ▣ Camdeboo mohair is of certifiable quality
 - ▣ Camdeboo partners with supply chain role players who are party to quality
- Uniqueness
 - ▣ Camdeboo producer group is a cohesive group
 - ▣ Kemp management
 - ▣ Supply chain management from production to retailing
 - ▣ Special projects and orders

Camdeboo brand properties

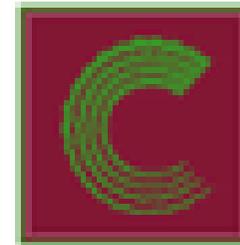
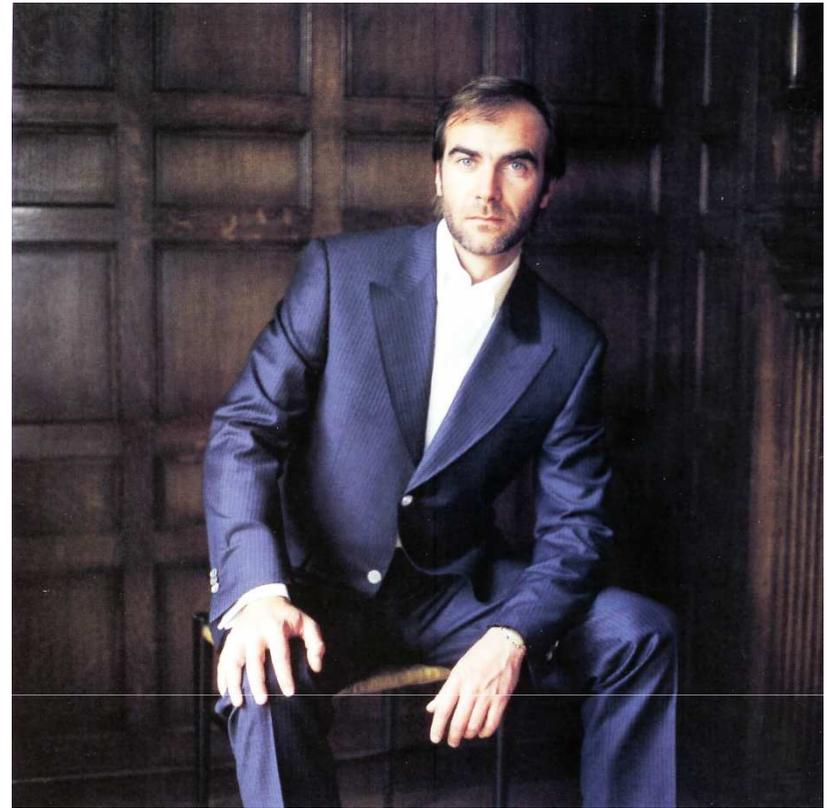
- Service
 - Camdeboo has direct access the owner of the mohair
 - Camdeboo has industry contacts and knowledge
 - Camdeboo clients have immediate access to mohair within seasonal limits
 - Camdeboo is able to offer a prompt order/prompt delivery
- Luxury niche
 - Camdeboo value system
 - Traceability
 - Craftsmanship



Camdeboo's strategic relationships

- Brokers
- Buyers
- Topmakers (Scouring, washing and combing)
- Spinners (Worsted)
- Knitting yarn
- Velour manufacturers
- Weavers
- Apparel manufacturers
- Brands
 - ▣ The “Kharisa” project with Scabal from Belgium,
 - ▣ The “Phantom” project with Dormeuil of Paris
 - ▣ 100% mohair Camdeboo blazer by Alfred Dunhill of London





Camdeboo
EXCLUSIVE MOHAIR
QUALITY

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