

Guide

INTERNATIONAL ALOE MARKET ANALYSIS



ALOE VERA Jordan

John Paul II Foundation
for dialogue, cooperation and development - Onlus

GUIDE

INTERNATIONAL ALOE MARKET ANALYSIS

by: D.ssa Lara Pistocchi - Markt Analyst FGPII JOHN
PAUL II FOUNDATION - Firenze 2019

- 01 **Introduction**
- 02 **Why doing a market analysis**
- 03 **How to do a market analysis**
- 04 **Continuous monitoring**
- 05 **Participation at the fair**



John Paul II Foundation Projects Department

The Foundation, with funds of the Italian Agency for Development Cooperation, coordinates a network of high-profile academic partners: from scientific research area, largescale distribution and national and international institutions, relies upon the work of a qualified team of economists, agronomists and market experts. It promotes a partnership-based approach supporting small farmers in reorganizing their production in a quality-oriented perspective to favour access to international markets.

REPORT AND GUIDE

Guides and Reports Small Farmer is a series of publications edited by the John Paul II Foundation Projects Department, which aim is to contribute to the knowledge and diffusion of the results obtained by the scientific-technical partners over their activities of technical assistance in the economic development and social inclusion programs of rural areas. The series is aimed at a systematisation of both, the theoretical and methodological aspects, in order to support their replicability and it's intended for small producers, cooperatives, agricultural enterprises and stakeholders.

The Guides and Reports share a precious scientific-technical know-how and they are intended to promote the human, social and economic development in the most disadvantaged communities around the world, thus supporting the fight to poverty.

Guide. This series aims to present a summary of the tools elaborated with the project, reporting the methodology and the main outcomes and outputs obtained. It is a summary of the documents produced by all the experts involved in each one of the activities. The aim of the document is to provide clear information or instructions and usable tools to all interested beneficiaries and stakeholders.

The others series:

- Report
- Systematisation documents.
- Product promotional brochure

SMALL FARMERS Quality Management System

The Quality Management System is a system of quality standards applied to agricultural production from plant cultivation to post-harvest management. The QMS is part of an overall framework direct to promote synergies among several products as, from plant Dates, Cherries, Apricots, Aloe vera and to foster network and cooperation between Small Farmers engaged in the application of a re-organization strategy. The QMS is based on:

- An agroecological production approach promoting a Quality Management System, which focuses on product quality enhancement to respond to the international market demand while protecting the delicate balance between trees, plants and surrounding ecosystem.
- The promotion of cultivation-related traditions and local plant varieties, ensuring delivery of a high-quality and sustainable product.
- Ethical principles to enable inclusive and efficient agricultural system for farmers and workers involved in the value chain, which aims to provide support for access to more profitable markets by promoting economic and social development in the most disadvantaged communities.



01

INTRODUCTION

Marketing, that is a set of processes aimed at placing a product on a market with the maximum profit and through the most appropriate strategies of pricing, distribution, selling advertising and promotion after determining target customers through a market analysis¹, can't be improvised; it needs a simple action plan in line with your own economic, temporal and business possibilities that can be tailored to the different objectives.

The main objective of this work is to outline the importance and the phases of a market analysis: a market analysis can outline the exact situation and the business development possibilities of a specific product and it will develop a marketing strategy aimed at obtaining an effective introduction of the product onto the target markets².

A market analysis will enable a subsequent marketing plan development tailored to a specific sector and will influence the decisions to take about a product's characteristics, price, communication strategies, online marketing and commercial distribution.

¹Enciclopedia Italiana Treccani.

²A target market is a group of consumers at which a business aims its marketing efforts.

A MARKET ANALYSIS IS INTENDED TO ANSWER THE FOLLOWING QUESTIONS:



HOW CAN I PRICE MY PRODUCT?

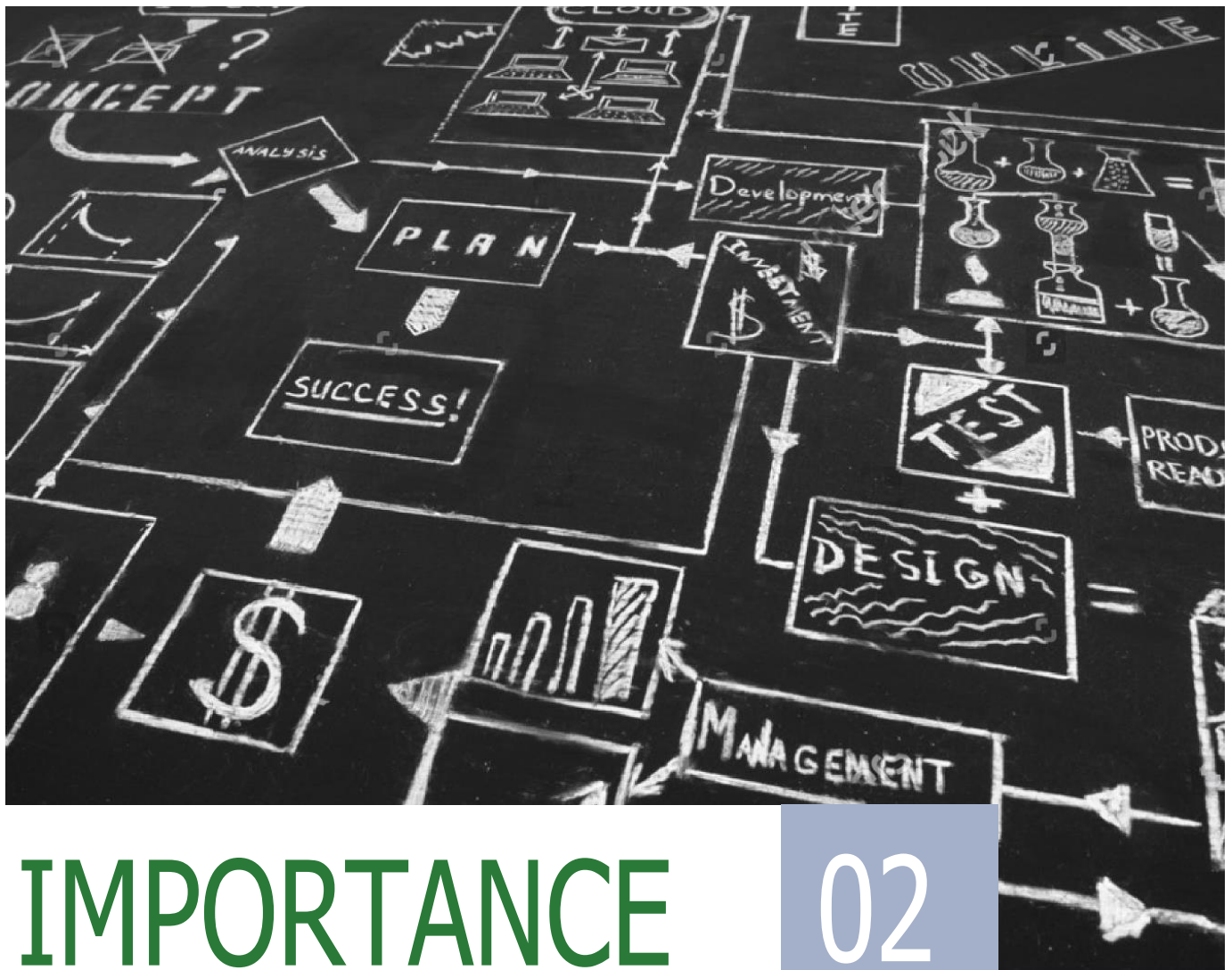
HOW CAN I PROMOTE IT?

WHO ARE MY COMPETITORS?

IS THERE A DEMAND FOR MY PRODUCT?

WHICH IS MY TARGET MARKET?

WHO ARE MY TARGET CUSTOMERS?



IMPORTANCE OF A MARKET ANALYSIS

02

Many producers think that a market analysis is not within their reach and even that it is not worth it; but today thanks to the internet it is possible to do a tailored and autonomous analysis and to obtain some useful results that can help you to succeed in your business activity.

The advantage of a market analysis is to gather information related to the strengths and weaknesses of a market in order to plan trade and marketing strategies; a market analysis is essentially a qualitative and quantitative assessment of a market, aimed at explaining its value and determining consumers and their buying mechanisms, competitors, the economic scenario, the possible problems of entering a market and complying with rules, regulations and legislation.



- QUALITATIVE AND QUANTITATIVE POINT OF VIEW
- VOLUME AND VALUE
- DETERMINING CONSUMERS
- COMPETITORS
- THE ECONOMIC SCENARIO
- POSSIBLE PROBLEMS OF ENTERING A MARKET AND COMPLYING WITH THE RULES, REGULATIONS AND LEGISLATION

A market analysis studies and analyses the consumers' behaviours and motivations, in order to understand their needs, tastes, habits and to limit a business activity to a specific market.

Markets are continually evolving; for this reason, it is important to know the current reality and **anticipate the possible changes** in order to operate in the best way, to avoid problems and difficulties and to protect the company's business.

A MARKET ANALYSIS ENABLES TO:

- identify the possible market and business problems;
- identify the market's opportunities and sustainability;
- anticipate the future scenarios;
- assess a market's potential;
- price your product;
- identify the reference target;
- evaluate the distribution channels system;
- analyze your competition;
- analyze the access to a market;
- evaluate the effectiveness of commercial and marketing strategies;

Deciding how to manage your business can be very difficult, if you don't have data to base your own business forecast on; for this reason it is important and necessary to carry out a market analysis on a regular basis in order to better know how to move around in the market and to make the best decisions about your product. The knowledge of a market, a sector and its customers enables to better know the dos and don'ts and to "forecast" and quickly solve possible situations and problems.

Why an Aloe producer should be able to carry out a market analysis

Variety
Quality

A producer has got competences that can help him to improve the quality and value of his product in the market. (Intrinsic or perceived quality)



If in a local context there were only a producer of an only Aloe and consumers wanted that product without asking about variety, price and quality, a producer would not need to do any market analysis...but in a real marketing context there are a lot of competitors that trade the same product with different characteristics and at competitive prices. For this reason, a producer should be able to answer this question: why should a customer prefer my product rather than other producers' one?

A cultivated product can have several characteristics: an excellent taste, that is not always perceived by the consumer; it can be fresh with a lot of nutrition properties, it can be organically grown etc. ... it can also have an historic and cultural relevance and be able to give value to its territory; all these intrinsic qualities of a product cannot always be spotted by the consumer, thus highlighting a product rather than another one in a market.



The inability of a producer in conveying the value of its product to the consumer, marks a limit in the sale and placing of a product on some markets; for this reason the producer must know the markets he wants to and can enter: he has to understand the customers' needs and he must be able to "describe" his own product; he has to be aware of his company's strengths and weaknesses, he has to realize if, in order to get good results, he needs a partnership with other producers or if he can run the business on his own.

In order to get new opportunities in a market, a producer can consider to take new actions, but only some of them can be achieved. It is important to limit these actions and to develop only those with a high potential.

Too many growth's initiatives can be dangerous for a business, so it is important to concentrate only on small and well studied initiatives.



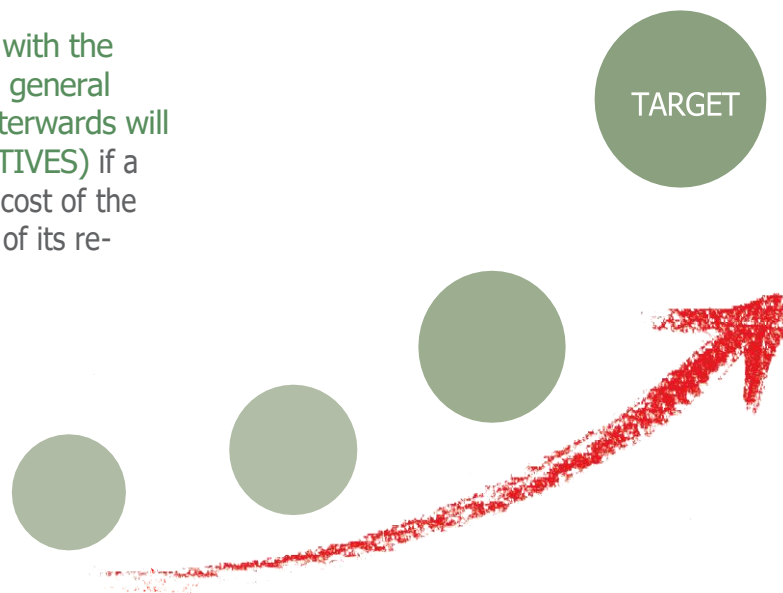
HOW TO DO 03 A MARKET ANALYSIS





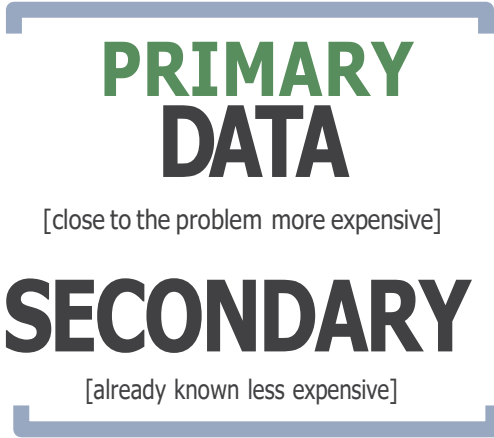
PRELIMINARY SETTING

defining the problem, briefing with the project handlers to outline the general targets of the analysis, that afterwards will allow to determine the OBJECTIVES) if a problem is not well defined, the cost of the analysis might exceed the value of its results;



RESEARCH PLANNING

(planning, specifying the information needed, the sources of data, the harvesting methodologies and techniques, the times and the budget). Development of the sources of information: data can be divided into primary and secondary. The first one is closer to the problem, but also more expensive to collect, while the second one is data that a company might already know about because it has been collected in the past by someone else (so cheaper to collect), but it could be partly or totally marginal to the problem in analysis;



DATI/DATA COLLECTING

they are usually statistics methods sampling plan organization and definition of the collection's methods (product's data, strengths and weaknesses, presence of the product in the markets, competition, promotion of the product, normatives).

There are two types of information's sources: the primary ones (surveys, interviews, discussion groups etc. that can be made on your own or secondary sources (articles, reports, web pages, company's statistics, government sources etc.) that are third parties' sources.



Find articles and reports about the situation in the sector, data statistics, surveys. Visit the web sites of the entrepreneurs' associations in the sector, the Ministry and the official organizations connected to your sector in your autonomous community, international and national institutes, Chambers of Commerce and Industry. Visit the competitors' web sites. Internet free information: find articles and reports about your sector's situation, statistics and data, surveys, the national and regional statistics institutes, the Chambers of Commerce and Industry.

Internet information about other companies in the same sector: visit the web sites of your competitors and of companies that are in the same business in other provinces that are complete and interesting. In this way you will get information about your marketing strategy (products, prices, communication, offers) and its relevance.

Paid internet information: the analysis tools of the positioning on search engines. A 2 or 3 month paid subscription can be worth and cheaper for everybody.

Sectorial fairs: spot and attend fairs in your sector, even if you have to go to Madrid or Barcelona.

Specialized magazines: print the magazines specialized in your sector that are published by associations, organizations and consultants. Sectorial fairs can be a good place to spot them, so do not only subscribe to the most important ones for one year. It might be necessary to widen information through interviews, surveys or a visit to the competition's companies.

Study of clients and competitors

The fourth phase of a market research should include a deep analysis of competition. There are two main reasons why it is important to study your competition:

knowing who is doing well and who is not, can help you to spot the business opportunities, the keys to success and the market trends.

DATA ANALYSIS AND INTERPRETATION

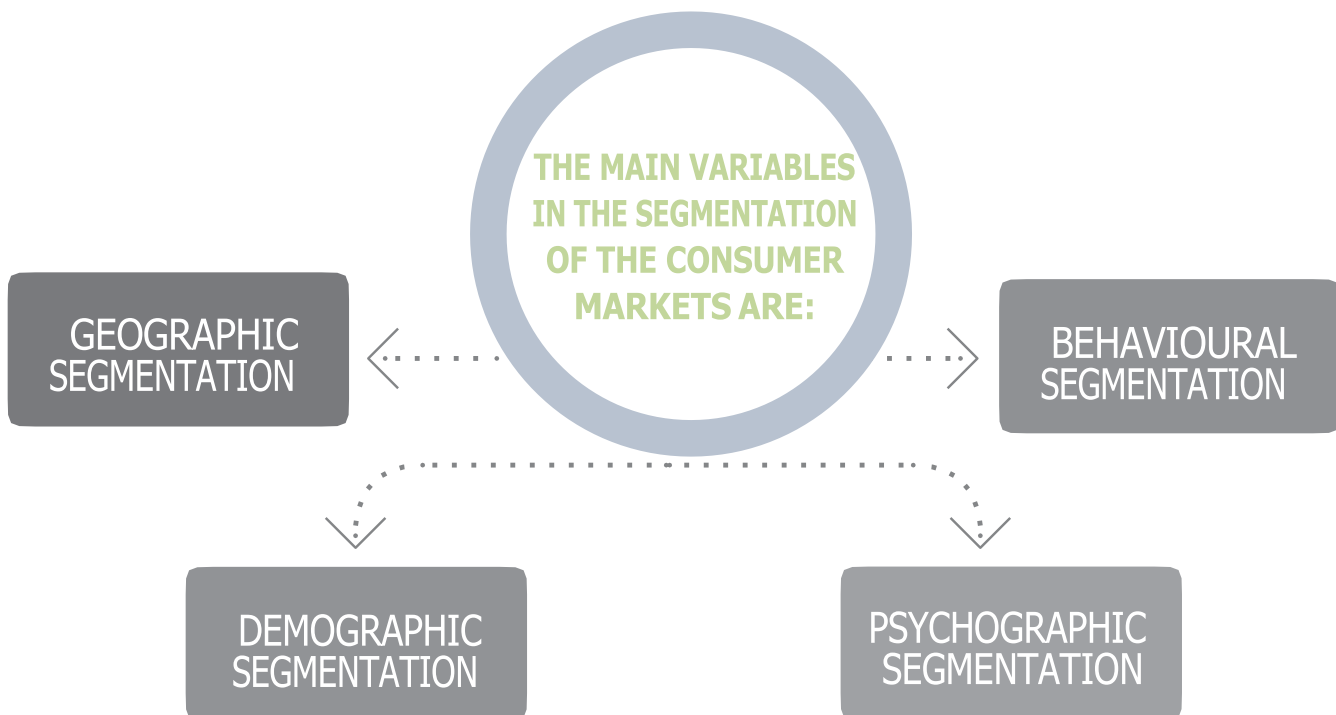


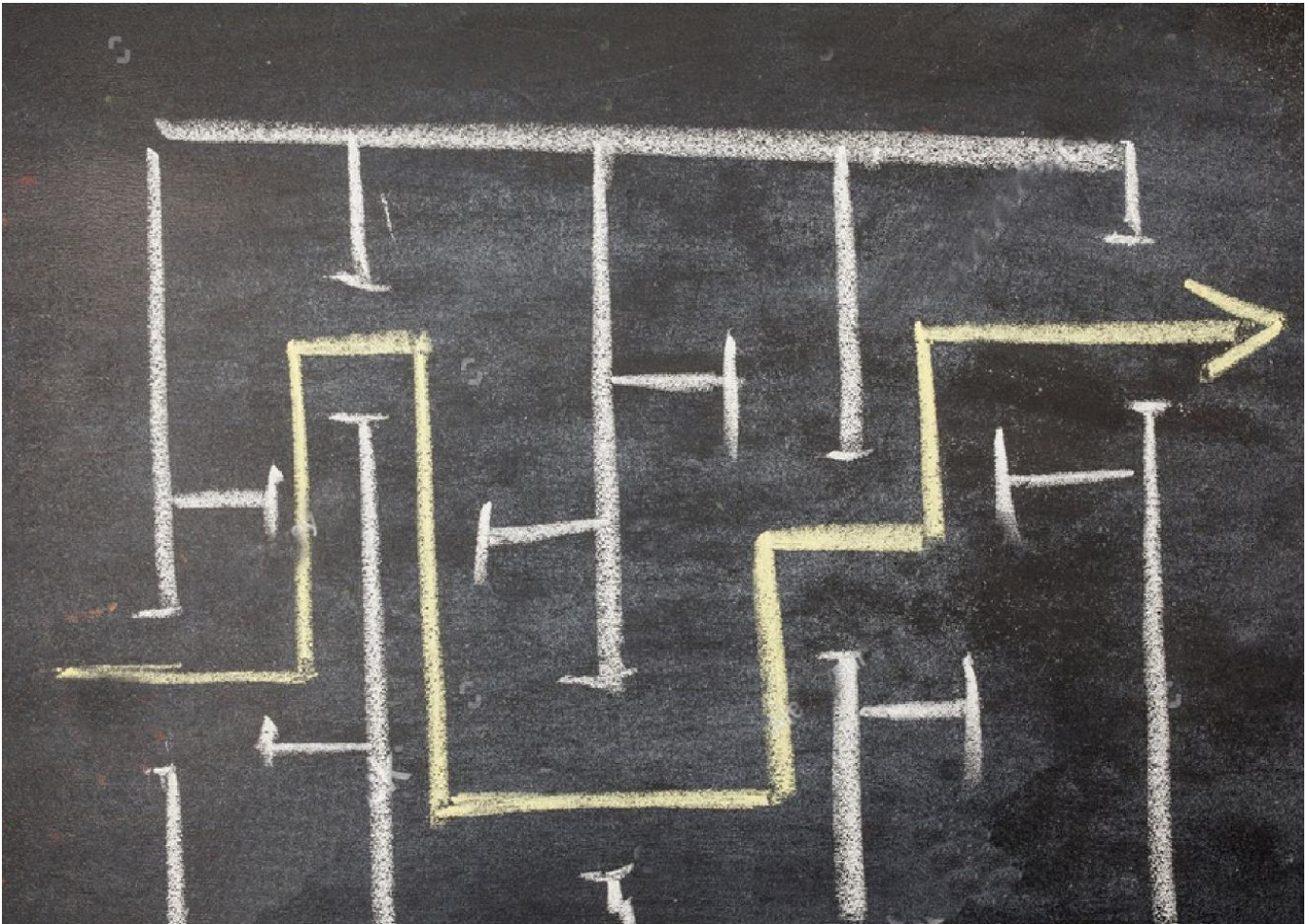
After collecting, data is inspected taking into consideration its discrepancies and relations and then the results are analysed

ANALYSIS PREPARATION AND PRESENTATION

Presentation of the results in a clear and synthetic descriptive report

SEGMENTATION OF THE CONSUMER MARKET





CONTINUOUS MONITORING

04

At present we live in a world that is in constant transformation; for this reason it is necessary to constantly monitor both the company's external scenario and its internal reality. This is possible making an updating or an integration of the data coming from the initial market analysis.

Investing in market analysis is compensated by the benefits obtained by reducing possible risks in the medium and long term period



A market analysis is a fundamental instrument for a company that wants to be successful and improve its potential along the time.

The knowledge of a business contest in real time enables to be "focused" on the target markets; in the agribusiness market , it is essential to analyse the peculiarities of negotiation, the social and consumer contest and the import-export situation in order to evaluate the factors that can mainly influence the collocation of a product in a market.

It is important to periodically monitor the trend of the analysis in order to improve its effects and make it more efficient; it can be useful to make a "check list" in order to update and reset (ex. twice a year) the new actions to undertake (SWOT analysis) Useful (strengths, opportunities), useless (weaknesses, threats)

A SWOT analysis spots the market and the contest's opportunities and threats and it positions your activity, highlighting your strengths and weaknesses.



The knowledge of a business contest in real time enables to be "focused" on the target markets; in the agribusiness market, it is essential to analyze the peculiarities of negotiation, the social and consumer contest and the import-export situation in order to evaluate the factors that can mainly influence the collocation of a product in a market.

It is important to periodically monitor the trend of the analysis in order to improve its effects and make it more efficient; it can be useful to make a "check list" in order to update and reset (ex. twice a year) the new actions to undertake (SWOT analysis) Useful (strengths, opportunities), useless (weaknesses, threats)

A SWOT analysis spots the market and the contest's opportunities and threats and it positions your activity, highlighting your strengths and weaknesses.



PARTICIPATING IN A TRADE FAIR

05

A trade fair is one of the places where you can collect data to update your market analysis, it is a meeting point between the product's offer and demand.

In order to understand a market's change and trend, the participation in a trade fair enables you to get information about a market thanks to:

Conversations and meetings with traders, customers, buyers and competitors.

People involved in the agribusiness sector (that is agri product, , product for the food industry both on the industrial and economic-trading side) should participate in trade fairs both as exhibitors and visitors.

REASONS FOR ATTENDING A TRADE FAIR:

- * **PROMOTING AND PRESENTING YOUR PRODUCT TO THE MARKET**
- * **KNOWING SPECIFIC MARKETS;**
- * **WIDENING YOUR RANGE OF CUSTOMERS AND CONSOLIDATING THE OLD BUSINESS RELATIONSHIPS;**
- * **CREATING NEW CONTACTS;**
- * **CREATING A NETWORK;**
- * **KNOWING THE MARKET'S INNOVATIONS;**
- * **COMPARING WITH COMPETITORS;**
- * **VERIFYING THE MARKET'S EVOLUTION;**
- * **COMPARING THE EFFICIENCY OF YOUR OWN MARKET STRATEGY TO YOUR COMPETITORS'ONE;**

Choosing to participate in a fair depends on the objectives of a company, but not always the exhibitors can perfectly define them; as a consequence of that, after participating in a fair you can feel you have not obtained the expected results. Not all the fairs can suit every single exhibitor's need: a fair could address to a local or national market, while the exhibitor's objective could be entering international markets; a fair could not be suitable to your product. For this reason it is fundamental to evaluate

the existing fairs and understand if you can afford attending it (stand's rental fees and setting up, creation of informational and promotional material and costs for Business)

AFTER THE FAIR:

- * **KEEP IN TOUCH WITH NEW AND OLD CONTACTS**
- * **MANAGE THE CONTACTS' PAPERS**
- * **WRITE A REPORT TO PEOPLE INVOLVED IN THE FAIR**
- * **EVALUATE THE FAIR RESULTS**
- * **INFORM PEOPLE INVOLVED ABOUT THE FAIR'S RESULTS**

Contact

info@fondazionegiovannipaolo.org

www.fondazionegiovannipaolo.org

www.smallfarmers.trade



**ITALIAN AGENCY
FOR DEVELOPMENT
COOPERATION**



Ministero degli Affari Esteri
e della Cooperazione Internazionale

AICS - Agenzia Italiana per la Cooperazione allo Sviluppo Sede
di Amman Business Avenue building 77, Islamic College Street,
11180 – Jabal Amman, Amman Jordan

Tel: +962 (0) 6 4658668 - www.amman.aics.gov.it

This publication has been funded by the Italian Agency for Development Cooperation within the framework of the project "Promozione della filiera agribusiness dell'Aloe Vera attraverso l'implementazione di un progetto pilota a sostegno delle cooperative di piccoli produttori nell'area di Karak in Giordania" - AID 11481. The views expressed in this publication are those of the authors and do not necessarily reflect the views or policies of the Italian Agency for Development Cooperation. The Italian Agency for Development Cooperation is not responsible for any inaccurate or libellous information, or for the erroneous use of information.