

Department of **INDUSTRY**



Department of Industry **MARKETING STRATEGY** **2018 - 2020**

Shaping the future of value addition in Vanuatu

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List of Acronyms

DoI	Department of Industry
MALFFB	Ministry of Agriculture, Livestock, Forestry , Fisheries, & Biosecurity
MIS	Marketing Information System
PEST	Political, Economic, Social, Technology
R&D	Research & Development
SME	Small Medium Enterprises
SMS	Short Message Service
SWOT	Strength, Weakness, Opportunities, Threats
VSS	Voluntary Sustainable Standards

Executive Summary

The DoI Marketing Strategy sets marketing priorities, focuses energy and resources, and ensures employees and stakeholders are working toward common goals. The strategy will establish agreement around intended objectives, and assess and adjust the division's marketing efforts in response to a changing environment.

This is a systematic process of envisioning a desired future (vision statement), and translating this vision into broadly defined goals. The strategy is a disciplined effort that produces fundamental decisions that shape and guide what the Marketing Division is, who it serves, what it does, and why it does it, with a focus on the future.

The Marketing Strategy is designed to be adaptable in a changing environment: it is flexible enough to accommodate unforeseen events, resourcing and needs, whilst maintaining clarity as to the overall function and mission of the division. As such, the objectives are prioritised, to enable focussed work in times of low departmental resources.

Department of Industry Marketing Division Vision

Confident and profitable manufacturers with effectively marketed value-added niche products

Department of Industry Marketing Division Mission

Working with and for manufactures for a more profitable Vanuatu

Goal 1 National: DoI collaboratively achieves marketing and promotion outcomes that benefit manufacturers of Vanuatu made products

Objective 1.1 Activities to differentiate and support Vanuatu made initiatives and products

Objective 1.2 Develop and maintain relationships with stakeholders, work collaboratively at a national level

Goal 2 Manufacturers: Manufacturers have confidence, and are prepared for success

Objective 2.1 Proactively managed relationships and communication with all manufacturers

Objective 2.2 Manufacturers operating profitably in local markets

Objective 2.3 Manufacturers operating profitably in export markets

Purpose

The DoI Marketing Strategy details the mission, goals and objectives required to achieve the marketing vision: *Confident and profitable manufacturers with effectively marketed value-added niche products*. This strategy is shaped by the broader Department of Industry goals.

Strategy is the thinking, and planning is the doing. This Marketing Strategy is not an implementation plan. Implementation and marketing plans will be guided by this high-level strategy towards common goals and objectives. Once implemented, the strategy will encourage marketing efforts to be focussed and measurable. Implementation will require the development of a marketing plan and subsequent work plans.

Strategic Environment

This Marketing Strategy is informed by the strategic environment in which it operates. It is one-step in a broader strategic landscape whereby a number of strategies must complement each other and move in the same general direction to achieve shared goals. Key strategies in this space include:

- Vanuatu 2030, The People's Plan, National Sustainable Development Plan 2016 - 2030
- Vanuatu Industrial Development Strategy: Shaping the Future of Value-Addition in Vanuatu 2018-2022
- Department of Industry Business Plan 2017-2020, Vanuatu Innovation 2020

This marketing strategy incorporates the Vanuatu Made campaign (starting 2018) to define and strengthen market recognition for products made in Vanuatu.

Vanuatu 2030, The People's Plan, National Sustainable Development Plan 2016 to 2030

Particularly:

- Society goal 1: Vibrant cultural identity
- Environment goal 2: Blue-green economic growth
- Economy goal 1: Stable and equitable growth
- Economy goal 3: Strengthen rural communities
- Economy goal 4: Create jobs and business opportunities

Vanuatu Industrial Development Strategy: Shaping the Future of Value-Addition in Vanuatu 2018-2022

Strategic industrial vision:

To fully unlock its capabilities in order to compete in niche market sectors by offering outstanding quality of products and services at premium prices in a manner that is both sustainable and inclusive

Particularly recommendations:

- **H.4.1** Create a Vanuatu brand and logo that reflects the country's unique characteristics; register a "Made in Vanuatu" trademark that is governed under a strict set of criteria; for a "buy Vanuatu" network

Success indicators: Vanuatu international brand recognition, and number of official "Made in Vanuatu" products and services

- **H.5.4** Develop "business startup" and "exporter" toolkits including sector specific knowledge basics to connect with international market opportunities

Department of Industry Business Plan 2017-2020, Vanuatu Innovation 2020

Department of Industry Vision:

A competent, technical and reliable agency providing essential support services, in partnership with stakeholders, for enabling growth and competitiveness of the manufacturing sector with competitive advantage.

Department of Industry Mission:

To encourage the growth and competitiveness of the manufacturing sector by facilitating investments, diversification, innovations through R&D, improve business environments and compliance to international industry standards for a better market access of Vanuatu goods through partnership with relevant stakeholders.

Some of the activities in the Business Plan relevant to the Marketing Division:

- **4.4.3.3.** Assist SMEs to comply with packaging and labelling requirements
- **4.4.4.1.** In collaboration with productive sectors and the Marketing Division, encourage and advocate for effective communication with the wider community of primary producers, secondary producers and tertiary producers aimed at increasing quantity and quality
- **4.4.4.2.** In collaboration with Marketing Division, enhance market information literacy within the rural areas and strengthen market intelligence surrounding major products such coconut, cocoa, fruits and vegetables and handicrafts
- **4.5.1.8.** Establish information on Vanuatu Made display units on key marketing sites around Vanuatu
- **4.5.1.9.** Establish a National Marketing Strategy for high end domestic products for accessing exports markets regionally and internationally
- **4.5.2.4** In collaboration with partner agencies develop made in Vanuatu brand
- **4.5.3.4.** Identify producers and buyers that will be potential users of the VSS
- **4.5.3.6** Generate awareness amongst domestic producers and buyers about the importance of the MIS and how it might improve their marketing
- **4.5.6.3** Host national trade shows for showcasing all categories of Vanuatu made products for encouraging competition amongst local small to medium producers

Vanuatu Business Cost Competitiveness Report: an in-depth study of the costs structure of business in Vanuatu to identify feasible actions to reduce the costs of doing business and enhance competitiveness, 2012

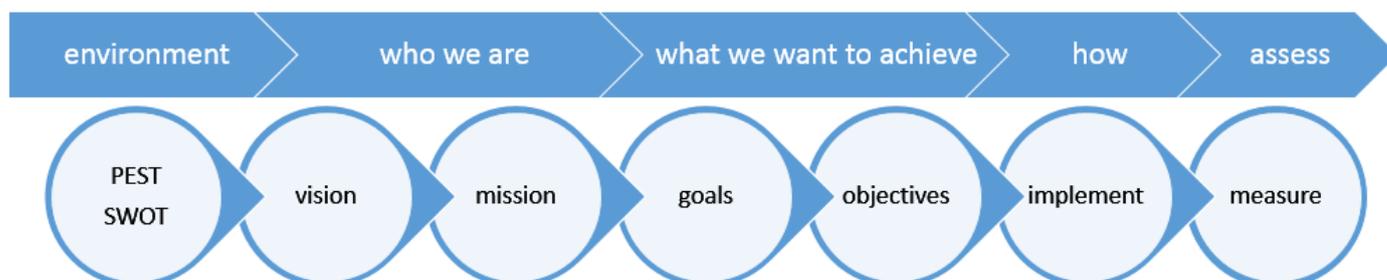
Marketing and sales costs of value added products can constitute anywhere up to 50% of costs. Researching an international market, appointing distributors, supporting brand development, developing websites, covering travel and sales people expenses can be costly. Most companies interviewed do little of the above and have few sales people. It is recommended that a small market like Vanuatu:

- a. Develop niche markets that use the unique aspects of Vanuatu and its ingredients
- b. Build demand through niche channels and the tourism industry
- c. Help build and leverage the Vanuatu brand
- d. Become expert in using the internet to promote products and conduct e-commerce
- e. Link the tourists and early customers to the internet so that they can become repeat purchasers and are able to introduce friends

Process

A working group of Department of Industry staff, and a Marketing and Communications Advisor produced the Marketing Strategy. The Marketing Strategy is an accurate and forward-looking portrayal of the work done by the Marketing Division of the Department of Industry. The focus of the Marketing Strategy is the core business of working with and for manufacturers for a more profitable Vanuatu.

The Marketing Strategy includes the vision, mission, goals and objectives of the Marketing Division.



There were a number of process steps undertaken to devise this strategy:

1	Initial environmental scan and marketing assessment	
2	Environmental scan consultation	20 November 2017, Department of Industry
3	Workshop to determine vision and mission for the division	20 November 2017, Department of Industry
4	Raw data from environmental scan analysed and themed	
5	Formulation of draft goals and objectives	
6	Staff engagement to refine goals and objectives	23 November 2017, Department of Industry
7	Formal draft submitted for feedback	1 December 2017
8	Validation of strategy workshop	5 December 2017, Department of Industry
9	Final document provided to Department of Industry	12 December 2017

Environmental Scan

PEST and SWOT analysis were used as a reference to ensure the Marketing Strategy is responsive to internal and external strengths, weaknesses, opportunities and threats. The environmental scan factors were grouped by theme to illustrate the most significant factors in each category. The current marketing landscape was mapped, as were anticipated resources for the next three years.

The major themes that emerged from the environmental scan are summarised below:

Strengths <ul style="list-style-type: none"> Relationships with manufacturers and stakeholders Staff: skills, knowledge, relationships, office culture High level of transparency within Department 	Weaknesses <ul style="list-style-type: none"> Resourcing/ budget limitations Performance capacity Communication with manufacturers
Opportunities <ul style="list-style-type: none"> Resourcing - Vanuatu Made funding Staff – skill development opportunities International programmes, funding and partnerships 	Threats <ul style="list-style-type: none"> Change in Government policies or relationships Isolation of producing islands Key resources not always reliable

The environmental scan encouraged us to consider whether the strategic objectives are attainable, given the environmental scan findings.

Marketing Division Vision and Mission

Vision and mission statements were devised whilst being mindful of the existing strategic environment, and the results of the environmental and marketing scans.

Department of Industry Marketing Division Vision – the long-term change we want to make

Confident and profitable manufacturers with effectively marketed value-added niche products

Department of Industry Marketing Division Mission – how we will achieve the vision

Working with and for manufactures for a more profitable Vanuatu

The Marketing Division vision and mission do not replace the Department of Industry vision¹ and mission²: they work in harmony together.

¹ DoI vision: A competent, technical and reliable agency providing essential support services, in partnership with stakeholders, for enabling growth and competitiveness of the manufacturing sector with competitive advantage.

² DoI Mission: To encourage the growth and competitiveness of the manufacturing sector by facilitating investments, diversification, innovations through R&D, improve business environments and compliance to international industry standards for a better market access of Vanuatu goods through partnership with relevant stakeholders.

Marketing Division Goals

The goals are the targets we want. The objectives are how we are going to get there. The goals are informed by the environmental scan, and cross referenced to the vision and mission.

Goals to achieve the Marketing Division's mission were separated by things that happen on a national scale, or with national impact, and things that happen at a manufacturer level.

Goal 1: National

Dol collaboratively achieves marketing and promotion outcomes that benefit manufacturers of Vanuatu made products

Goal 2: Manufacturer

Manufacturers have confidence, and are prepared for success

Marketing Division Objectives

The objectives broadly theme the manner in which the goals will be achieved. In devising the objectives, the working group continually asked if each objective will assist in achieving the Division's mission and goals, whilst being mindful of the outcomes of the environmental scan, and the resources available.

The objectives must lend themselves to achievable and measurable tasks and actions.

Goal 1 National: Dol collaboratively achieves marketing and promotion outcomes that benefit manufacturers of Vanuatu made products

Objective 1.1 Activities to differentiate and support Vanuatu made initiatives and products

Objective 1.2 Develop and maintain relationships with stakeholders, work collaboratively at a national level

Goal 2 Manufacturers: Manufacturers have confidence, and are prepared for success

Objective 2.1 Proactively managed relationships and communication with all manufacturers

Objective 2.2 Manufacturers operating profitably in local markets

Objective 2.3 Manufacturers operating profitably in export markets

To ensure the objectives were clear and achievable, the working group envisioned possible actions and tasks for each objective. These tasks are examples of steps that can be taken to achieve the objectives.

The actual tasks to be undertaken by the Marketing Division will be determined by the implementation process and will appear in individual team work-plans.

Example tasks and activities to achieve objectives are below:

Goal 1: DoI collaboratively achieves marketing and promotion outcomes that benefit manufacturers of Vanuatu made products	
Objective 1.1 Activities to differentiate and support Vanuatu made initiatives and products	Create Vanuatu Made brand; register Vanuatu Made trademark; Promote Vanuatu Made once established. Enforce compliance
	Provide support to cooperatives, associations and groups who focus on value-added Vanuatu made products
	Inspire, encourage and recognise manufacturers by establishing the Prime Minister’s Awards in manufacturing: for excellence, improvement, innovation
	Organize and arrange the participation of Vanuatu Made products in trade fairs and exhibitions
Objective 1.2 Develop and maintain relationships with stakeholders, work collaboratively at a national level	Liaise and coordinate activities with Pacific Islands Trade and Investment Commission, and other regional trade promotion offices
	Devise and implement joint marketing plans with MALFFB and Agritourism Steering Committee: define roles and objectives, identify collaborative projects
	Marketing Division build capacity of Provincial Industrial Development Officers so they can provide marketing support to provincial manufacturers (provide tools)
	Analyse and pursue potential strategic partner relationships
Goal 2: Manufacturers have confidence, and are prepared for success	
Objective 2.1 Proactively managed relationships and communication with all manufacturers	Create, apply and maintain transparent and equitable criteria-based process to select manufacturers to work with, based on skill level and need. Work with Chamber of Commerce to build on existing data. Measure effectiveness of collaboration
	Create and maintain consultation and two-way communication networks with manufacturers (consider: newsletters (electronic and hard copy), SMS, Industrial Business Council, cooperatives, associations, networks)
Objective 2.2 Manufacturers operating profitably in local markets	Group: Assess skills gaps and create plan to address them – Create and deliver information packs or workshops by sector (possible topics: quality, standards, branding, pricing, biosecurity, product development, market trends, market insights to make products attractive, developments in manufacturing sector)
	Assist entry into local distribution networks (approaching shops, resorts, supermarkets)
	Individual: Assess skills gaps and create plan to address them – Provide individual support to manufacturers. (possible topics: quality, standards, branding, pricing, biosecurity, product development, market trends, market insights to make products attractive, developments in manufacturing sector)

Objective 2.3 Manufacturers operating profitably in export markets	Group: Assess skills gaps and create plan to address them – Create and deliver information packs or workshops by sector (possible topics: quality, export standards, laws, tariffs, biosecurity, product development, market trends, market insights to make products attractive, developments in manufacturing sector)
	Improve flow of information about potential local suppliers to potential buyers (encourage use of Market Information System for manufacturing)
	Example: Assess skills gaps and create plan to address them – Create and deliver information packs or workshops on labelling requirements for export markets (possible topics: nutritional information, barcodes, Australian Food Standards Code requirements)

Steps to Implementation

Implementation is the process that turns strategies into actions and tasks to accomplish strategic objectives and goals. The Marketing Strategy is designed to be adaptable in a changing environment: it is flexible enough to accommodate unforeseen events, resourcing, and needs, whilst maintaining clarity as to the overall function and mission of the division.

Under each goal, objectives are listed in order of priority. When Departmental resources are low, the Marketing Division can focus on the higher priority objectives only. This strategy is flexible and nimble: it can be scaled up or down depending on resources available.

Once approved, the Marketing Strategy will be woven into existing business documents and reporting structures to enable the Marketing Division to focus efforts and resources towards achieving the goals of the Marketing Strategy.

Implementation of the strategy will require an annual assessment and prioritization of the objectives, and specify the tasks to be achieved during the year. An annual marketing plan will be required, which links to individual team members' work plans. Measurement and reporting against the Marketing Strategy will need to be built into the implementation documents and work plans.



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