

Fuchsia Brands Ltd. - a Case Study

Rural Development through Regional Branding

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Regional branding is increasingly recognised as a valuable aid to regions in marketing their products, capturing higher value added and building supply chains to access international markets. Fuchsia Brands Ltd. is a regional branding initiative for the West Cork region. It incorporates quality food and tourism products. The initiative was devised and implemented by West Cork LEADER Co-operative in partnership with the local food and tourism sectors, the National Food Centre, CERT and Bord Fáilte.

The LEADER programme, first launched in 1992 and now in its third phase, offered local areas a real opportunity to devise and carry out integrated area based strategies. Local groups could for the first time control significant funding over a reasonably long period of time and so could follow through on the implementation of their proposed strategies. Furthermore, this funding was not intended to replace mainstream interventions – i.e. it was additional to other supports and not provided to plug gaps or solve all the problems in the area. This allowed groups more freedom to focus on particular strategies.

An Area Based Strategy for West Cork

West Cork has for a long time attracted a broad spectrum of tourists to its rugged coastline and colorful villages. It also has an established tradition of food production from larger enterprises, particularly the agricultural co-ops, through small-scale artisan producers down to part-time farmhouse production. One of the main challenges facing the area was the decline in economic activity as agricultural employment continued to fall, this coupled with the consequent loss of local services led to a continual drain of population to the cities.

The food and tourism sectors were identified as key strengths that were critical to combatting the fallout from agriculture. Both lent themselves to rural locations and could be compatible with existing farm enterprises. Whilst diversity in the local food sector was an important factor contributing to its dynamism, it was also an obstacle to concerted strategic action in the sector. Hence the initial plan that West Cork LEADER Co-operative submitted in 1991 emphasized the organisation of these producers “so that they are capable of exploiting indigenous resources through target marketing thus making optimum use of resources”. The development plan also set “the long term objective of establishing a West Cork Brand”.

For LEADER II the development of the brand was chosen as the flagship project. The objective was to build a branded identity that would exploit the market potential offered by the positive associations held with the West Cork name. The brand image would thus emphasise the clean unspoilt environment, as well as the richness and

diversity of the area's heritage, culture and landscape. Excellence and quality in production or service delivery would be the cornerstones of the brand.

To represent the brand the fuchsia flower was chosen as the centrepiece of the logo. This simple image was instantly recognisable and had long been associated with the region.

Implementation

To strengthen their argument in persuading the local players West Cork LEADER Co-op commissioned market research to test the concept and the proposed logos among selected consumer groups. The response was encouraging. West Cork LEADER Co-op proceeded to set up a separate legal entity to implement the initiative - Fuchsia Brands Ltd. This incorporated the three strands of the initiative – food producers, tourism providers and organisations, and the LEADER group.

Fuchsia Brands Ltd. immediately set about defining eligibility criteria for use of the brand. For food producers this involved input from the National Food Centre in devising a Code of Practice and an audit document. As a minimum requirement all food producers had to implement a HACCP food safety system. To facilitate this West Cork LEADER Co-op and the National Food Centre developed a modular training programme and offered it to all food producers in the area. This has proved very popular and is a key source of new entrants to the branding initiative. To date 5 courses have been completed, with over 60 producers having completed the programme. A further 12 producers are currently in training.

The brand was launched commercially in 1998 with 26 food producers and 17 tourism providers sanctioned to use the logo. Over the course of the LEADER II programme West Cork LEADER Co-op channeled close to IR£2m into the initiative in various supports to Fuchsia Brands Ltd. and its member companies – capital, training, marketing and research. The brand scheme has proved very successful from the LEADER perspective in that it is an integrated support structure. Rather than being a grant giving agency the LEADER group enters into a long term relationship with its clients and can tailor an array of supports to their needs. In the first 18 months of the initiative the participating companies recorded 135 new jobs created.

Fuchsia Brands Ltd. was also successful in attracting financial support from the local corporate sector. This was required as matching finance for a range of joint marketing activities. To date these have included publishing a range of promotional publications, incorporating the logo on packaging/signage, participation in local, national and UK trade & consumer events, retail liaison, retail promotions and media campaigns. Individual companies have availed of support to upgrade packaging, develop and launch new products and incorporate the brand logo into their marketing.

Achieving a critical mass has been important in enabling Fuchsia Brands Ltd. to undertake a range of marketing activities. By February 2002 there were 41 food producers and 67 tourism providers approved to use the brand. Regular market research has demonstrated that the brand has achieved strong levels of awareness

though much remains to be done – 67% in West Cork and 35% in Cork city. Where used effectively by producers it can differentiate from competing offerings.

At present only the food producers have moved to a paying member status, as this was seen to be the sector in which the strongest benefits were being delivered. It is anticipated that future growth in numbers will come largely from the tourism sector. West Cork LEADER Co-op also plans to extend the brand to complimentary sectors in which the use of regional identity can offer a competitive advantage. Consultation on this has begun with the local craft sector.

Current objectives & strategies

The transition to a fee-paying scheme has increased the challenge for Fuchsia Brands Ltd. It must now deliver benefits to each of its very diverse group of member businesses. This poses a challenge in clustering companies for particular strategies. For 2002 Fuchsia Brands Ltd. has set itself 11 different objectives on the basis of which a strategic plan has been adopted.

1. Raise brand awareness, particularly outside of its own area. Position West Cork as Ireland's prime speciality food producing region.
2. Improve access to, sales in and relationships with the key retail multiple groups and stores.
3. Increase use of branded local produce in the food service sector in Cork and Kerry.
4. Develop alternative sales channels for products not suited to mass retail.
5. Improve and promote quality in terms of sensory attributes, consistency, and presentation of branded produce.
6. Recruit new members, particularly where these fill product gaps and/or compliment existing range.
7. Support and promote new product development among members.
8. Develop revenue stream for Fuchsia Brands Ltd.
9. Promote effective use of new technology among client companies
10. Promote environmental best practice among client companies
11. Facilitate and encourage networking among members for exchange of information, technology and commercial relationships.

Future Considerations

To date the development of the regional brand has largely been undertaken by the LEADER group. The current programme LEADER + will run to 2006, during this time a key challenge will be to put the initiative on a self-financing basis. Central to this challenge is the balance that must be struck between the commercial and development aspects of the initiative. This is potentially very divisive – the larger companies with the potential to make the most significant contribution are focused on traditional mass retail channels. At the same time some of the smaller artisans, who are central to the brand's credibility, are losing out in the supermarkets to cheaper products.

Critical Success Factors

- Mobilising the population and social cohesion
West Cork LEADER Co-op was central to setting up and/or mobilising the bodies needed to devise and implement the branding initiative. The food and tourism sectors, which were previously fragmented, now have a framework for strategic co-operation.
- Use of the area's resources and identity
West Cork already had a strong identity as a region. Market research found that in Ireland it was second only to Connemara as an identifiable sub-county region. It also had a strong tradition of food production and a significant number of enterprises.
- Creation of a brand
The creation of a brand has allowed the group to add value to an already strong product range. For customers who recognize the logo it appeals by its connection to the identity of the region and is an assurance of quality. Maintaining these standards and ensuring consistency in marketing is essential to the brand.