

Indigenous Branding – Creating a point of difference to the New Zealand Primary Sector



Kelloggs Rural Leadership 2015

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Executive Summary

The report titled – Indigenous Branding- Creating a point of difference to the NZ Primary Sector is an insight to how Maori the branding of New Zealand primary sector products can help to add value to our exports.

“Maori branding is a “unique cultural association stories, images, names and symbols which serves to differentiate competing products or services, and to provide with the physical and emotional trigger to create a relationship between consumers and the product”. (Harmsworth & Tahi 2008)

New Zealand has a unique selling point, the one advantage we have over the rest of the world is Maori culture.

Maori culture as a brand has lots of options to offer such as:

- Using Maori values – rangatiratanga- integrity, manaakitanga – hospitality, kaitiakitanga – custodians or guardians, whanaunatanga – relationships, in your business and explaining to customers what they mean, how you value them and how you implement your values daily within your business.
- There are Tohu or motifs that all tell a different story
- Place names have existed for hundreds of years and will not change. These have a strong story to tell.

As a country we embrace and celebrate our indigenous people and culture a lot more than other countries in the world do. There should be no fear of using the culture to help add value to our product. As long as there is collaboration with local iwi, open communication and integrity with the product most iwi are proud to be able to have their unique brand and or name endorsing and promoting a quality product.

Before a company can use indigenous branding, they firstly need to know who they are. The entire company needs to know the companies vision, strategy and values. How can you tell your story if you don't know it?

Maori brands have the ability to tell magical stories and to steal the hearts and attention of international clients, especially Asian clients who share similar values as Maori culture. The branding becomes an opportunity to tell a story and create relationships, but the product must match the story and consistently be of high value.

It is important that the farmer and the customer form close relationships. Do not allow the processor to be the story teller. The farmer and the customer talking and working together helps to build a better relationship. The customer can then pass on the story and the passion for the product to the consumer.

To grow successful indigenous brands in New Zealand, there needs to be more collaboration amongst businesses. There is a risk that there will become too many Maori brands all telling slightly different stories, but selling very similar product. All Maori have a common story, they need to work together to tell the same one.

Does Indigenous branding add value? Yes it does, but it doesn't happen easily and there are many other aspects that need to be in line as well. A brand won't sell a product, it will tell a story that will help the product sell itself.

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Introduction

As a nation of producers we tend to pride ourselves on the product we produce. When the truck drives down the driveway and out to the main road full of fat lambs, prime cattle, milk, squash or mandarins, the grower tends to stand there and watch it disappear with pride, thinking a job well done.

There is a chance to pat yourself on the back and enjoy the moment, after the droughts, labour issues, missed social events and everything else that has caused disruption and disappointment over the past months.

Agri-businesses advisers of all capacities will quote “focus on what you can control” thousands of times.

They advise “you can’t control the dollar or the climate, so focus on the production that you can get within the constraints you have”. This theory shaped the nation into a production-based model and has led us to become world-class in innovation and production.

Sadly for many farmers this is as good as it gets. Once they have had the moment of satisfaction and reflection of a job well done the product simply becomes a commodity and their focus goes back to creating more production for next year.

The time has come where the focus must be on adding value to the product as produced, rather than an increase in production levels.

As proud producers many New Zealand growers will tell you that our country’s products are the best in the world. The meat tastes better, the wine is more flavourful, the milk is healthier and the wood stronger. They will also tell you that the air is cleaner, the water more pure, the grass is greener and we are more sustainable than other countries in the world.

Can the nation truly hang their hat on all of this?

Proud growers exist worldwide and they too will claim that their products are better one way or the other than the rest.

The one thing that nobody but us can claim – New Zealand’s one guaranteed point of difference, is our indigenous culture, Maori.

Maori is 100% New Zealand. No other country in the world can claim the culture, the people and its unique and spiritual ways.

New Zealand has a great story. When it comes to branding our products, we have the ability to tell the people of other nations about our rivers, mountains and our land, but if we combine the New Zealand story with our Maori culture we have the ability to tell the people about our awa, maunga and whenua. This creates a deeper and more meaningful story while also adding some creative licence to brands and marketing strategies.

This project looks at indigenous branding and how its use can create a point of difference to the New Zealand primary sector. How by using indigenous brands value has been added to products currently leaving our shores and entering into the world markets of Asia, Europe, Britain and America.

Methodology

Interview questions were prepared to conduct interviews with marketing managers or general managers of the chosen companies.

Five companies were interviewed. Those were chosen due to their current success with indigenous branding or the use of Maori culture in business. They are well spread throughout the country, being in Christchurch, Nelson, Wellington and Gisborne.

Three of the five interviews were conducted over the phone and two took place face-to-face.

The interview process was very relaxed. The proposed questions seemed to lose relevance and the better approach seemed to be to just let the interviewees talk freely, with any gaps filled in as required.

The information from the interviews forms the case studies within the reports. The balance of the information used for this report comes from internet based searches using Google Scholar, the Lincoln University library website, the websites of the companies interviewed and other reports passed on or recommended by various people.

What is a successful brand?

The problem with a brand is that, it is in reality, a piece of art. Just like art it tells a story. The issue art has and in the same context, branding, is that what interests and excites one person can leave another person flat or unimpressed.

In Forbes magazine – The top seven characteristics of successful brands, looks at the characteristics required to define a successful brand. DeMers (2013) lists the characteristics as:

- Audience knowledge
- Uniqueness
- Passion
- Consistency
- Competitiveness
- Exposure
- Leadership

To create a successful brand there is a need to have a strong quality product. While the seven characteristics can be looked at from a brand perspective they must also be looked at from a product prospective to ensure the brand is successful.

When creating a successful indigenous brand the seven characteristics should be given serious thought.

1) Audience knowledge

At first this sounds like informing the target audience about the product or the brand. However it is the opposite. It is important that the brand is directed to its target audience. Who are the targeted consumers, what demographic are you chasing? This is critical for an indigenous brand. The concept of indigenous brands should be that they are a premium product targeted at people of wealth with high ethical standards.

2) Uniqueness

“Establishing a brand identity requires something distinctive.”(DeMers, 2013)
It does not matter if it is meat, milk, wood or honey, New Zealand products are distinctive worldwide for many reasons. The ability to brand these with very distinctive names and motifs guarantees they become unique to New Zealand only.

3) Passion

Passion is easy. We farm because we love to. It is how we grew up and it is what we live for at times. Even though the ownership of New Zealand land is becoming more corporate, the men and women on the ground, at the grass roots are just as passionate as ever. The passion will continue to drive people to farm the land. However it is important that we continue to portray our passion for our products to the rest of the world.

4) Consistency

“The work we do on farm to improve the quality and consistency of the deer hides, plus the story our partners can wrap around the source of the raw material, is translating into tangible premiums across the supply chain. Otherwise, why bother? And when the retail price is \$1000 for a satchel, the raw material is a fraction of the price. The opportunity to increase farm returns is real.” (Carden,2015)

Consistency of product will help to strengthen the brand. Repeat buyers want the same thing they got last time.

McDonald's is a great example. A cheeseburger is a cheeseburger, no matter whether you get it in Dunedin or Dublin. It tastes the same anywhere in the world. This is what has helped to create a worldwide knowledge of the Golden Arches.

5) Competitiveness

"When it comes to major players and in industry, none simply sit back and hope that their consumers will do the work for them. Instead, they tend to be the movers and shakers who work tirelessly towards building and optimising the brand, going above and beyond consumer expectations. The end result tends to be a brand that is continually on the cutting edge of its industry."(DeMyers,2013)

This is very much a New Zealand trait, we have rattled the world for years. Our ability to compete and go beyond the call of duty, to exceed consumer expectations, happens regularly and will continue to do so into the future.

6) Exposure

New Zealand indigenous brands are fortunate that tourism to New Zealand helps to create a lot of exposure to their story and product.

There were 2.9 million international arrivals to New Zealand in the year to 28 February 2015. The fastest growing markets for visitors to New Zealand are:

Country	% increase in visitors
Taiwan	29.7%
India	24.6%
China	21.3%

(Proudfoot,2015)

Whilst the opportunity to sell more products to Asia and India is growing, the ability to sell more once it is there is also becoming easier, due to the fact more people have been to New Zealand and experienced our culture and our country.

7) Leadership

For any indigenous brand coming out of New Zealand there needs to be leadership within the business. This country is constantly creating genuine leaders in all sectors and with the help of Kellogg Rural Leadership many more will be created in the years to come.

Any company looking to brand products should use these seven characteristics as a checklist. While they may not be the absolute key to success they are very robust starting point to build a solid foundation for a product and a brand going forward.

Case Study: Kono - Pure taste of New Zealand

Kono is a limited partnership formed by Wakatu Incorporation. The Nelson-based business is owned by 4000 owners who whakapapa to Ngati Koata, Ngati Rarua, Ngati Tama and Te Atiawa tribes. (Kono,2015)

Kono is a premium food and beverage company, currently farming over 500 ha of land and sea, they also employ over 600 staff and export to more than 25 countries. (Proudfoot,2015)

Kono means basket in Maori. The Kono is a basket made from flax. They are used when there is a festivity or celebration of some sort, and only the best quality food is put into the kono. (Proudfoot,2015)

Therefore, Kono as a brand represents a basket of high-quality foods that they are offering the world.

Kono has three divisions.

- Kono Horticulture, grows apples, pears, kiwifruit and hops.
- Kono Food - produce muscles, oysters, lobster and natural fruit leathers.
- Kono Beverage - includes in their cellar, the renowned Tohu wine. (Kono,2015)

The three divisions help fill the food basket, enabling Wakatu Inc. to be able to give their customers a complete package.

Kono has four values that they adhere to. These values underpin their business. They are:

Rangitiratanga – Integrity

This exemplifies the way in which they represent not only themselves but their owners and also the way they behave towards others. Maintaining their cultural integrity and keeping to the highest of standards.

Kaitiakitanga - Custodians

This represents the way they treat the land, farming with sustainable practices. And also the social obligations they have to their people in the community, not only today, but for the generations to come.

Whanaungatanga – Relationships

This relates to the interconnectedness between nature and people, as well as kinship, identity and friendship. This is underpinned by strengthening and investing in relationships.

Manaakitanga – Hospitality

This is the offering of hospitality to others, celebrating the distinct taste of New Zealand food and wine and the basic premise of sharing and caring. (Kono,2015)



Case Study: Kono - Pure taste of New Zealand continued

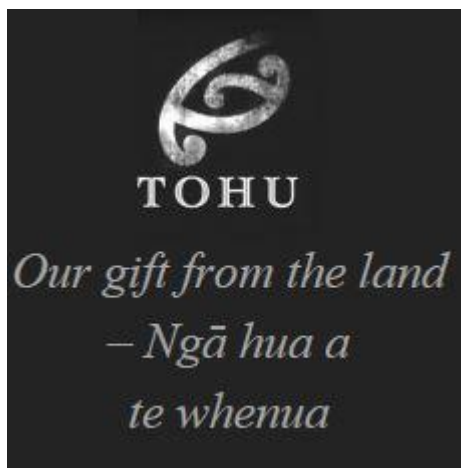
Creating a successful brand

Within the Kono stable there are many brands. Tohu wine is a leading example of how a successful indigenous brand can be created. When Tohu wine was formed in the 90's their point of difference was that they were the only Maori owned winery in the world. This was their unique selling point. (M. Brown, personal communication, June 5, 2015)

The process of creating Kono was not a simple one.

Kono has a manaki board, who are made up of kaumatua. For the approval of a brand to be used many things need to happen first. If a word or a motif is not approved then it is scrapped and another option is looked at. Having the brand approved by the manaki board is important to guarantee the harmony within the iwi.

“Words such as Tohu have to be thought about from a pronunciation point of view and what they mean in other languages”. (M. Brown, personal communication, June 5, 2015)



Tohu wines also use the names of local kaumatua for the reserve wines only. These are by far the best wines available from vintage crops. When the wine is considered to be of outstanding quality and reflective of the stature of local kaumatua, it is then labelled under the reserve label carrying the kaumatua name. For every change or new addition the approval of the manaki board and also the whanau of the kaumatua this must be sought.

From this point it's about how you sell yourself. “The brand name by itself is just a name. It's not until you actually start telling stories about it and getting the message out. The stories are authentic; the stories only we can tell.”

(Proudfoot,2015)

When Kono host international manuhiri (clients, guests) they are given a formal powhiri and the opportunity to meet with kaumatua. During the powhiri the manuhiri have someone explaining what the speaker is saying during his korero. The speaker will also translate to English. They are also given a booklet translating the four values allowing them to become familiar with what Kono stands for and also the chance to connect with the culture.

Owners of Kono will often be at the marae which gives them the opportunity to also get to know the manuhiri. This helps to create mana within the local region when the owners can meet and greet with the customers. There are generally two to three powhiri happening a month. Two marae are used for the powhiri, this helps to make sure that there is not an overload of commercial use on the marae during the year.

The Maori branding creates success in the market by having a unique selling point. Asian markets like China tend to respond very well to the Maori culture. They too, also have strong values around hierarchy, respecting elders, hospitality and a long-term intergenerational philosophy.

“The success of the branding helps to make the brand even more marketable and stronger. People buy a \$10 bottle of wine if it tastes good. But if you can give them a good tasting wine and a story to tell their friends about while drinking it, they are prepared to pay \$20 per bottle” (M. Brown, personal communication, June 5, 2015)

Kono has set up scholarships to help develop their own people; to be able to bring future generations to the Kono table and involve more of the owners in the business. This in itself ties in with the story the customer can tell their consumers in China. The Chinese buyer has been to the winery, knows the winemaker, and can share the story of Kono.

A taste of New Zealand

New Zealand is a relatively small country at 4,594,177 people (stats nz,2015). Our location in the world gives a remote and isolated feel at times, however, this is also a strength in today's world of food safety and biosecurity.

We are a nation of exporters and as trade agreements worldwide have become stronger our exports have increased. In 2010 New Zealand exported \$39.5 billion of product, by 2015 this figure had risen to \$49.1 billion, nearly \$10 billion growth in five years. As a country our total GDP in 2014 was \$230 billion. (Proudfoot,2015)

We are seen as a safe, secure and stable country in both the political and social levels.

With many sporting greats who've punched above their weight and at events such as the Olympics, we have stolen the hearts of the world. The All Blacks are one of the greatest sporting teams in the world. A country with only 4.5 million people that manages to produce one of the world's best and most consistent sporting teams is definitely achieving at a high level.

We are innovative and daring. Sir Edmund Hillary conquered the unclimbable, AJ Hackett took a massive leap of faith and William Hamilton created a revolution with the propeller-less boat.

Team New Zealand became the first syndicate outside of America to win and defend the America's Cup. They came so close to winning it again as the underdog, when the rules had been changed favouring the team with all the money. Worldwide support grew for Team New Zealand, the underdog from the bottom of the South Pacific. People from all over the world were genuinely disappointed when they lost.

Our landscapes offer breathtaking experiences to visitors, Peter Jackson has created this awareness through his Lord of the Rings and Hobbit films. The opportunities for visitors are endless from the Milford Sound to the Bay of Islands, rivers, beaches, sand or snow, we as a country can offer at all.



Our clean, green and sustainable image is also portrayed in our farming methods. It is with awe that visitors see our green grass, smell our fresh air with sheep and cattle grazing amongst it.

Our biggest asset is our people, we are a relaxed nation, happy and caring. There is a general ethic to work hard while enjoying life.

The unique strength in our people is our indigenous Maori. With Maori people and Maori culture in New Zealand there is a story to tell.

Nowhere else in the world can you hear a story like how the North Island, known as Te Ika a Maui, was fished up by the legendary Maui using his grandmother's jawbone and that the South Island, known as, Te Waka a Maui, as his waka or canoe. (history-org,2015)

A taste of New Zealand continued

The people of Ngati Porou will dispute this and tell you that Maui's waka sits at the top of Mt Hikurangi - but that's another story in itself!

The story of how the North Island got its rugged features is told that after Maui fished up his catch he felt the gods might be angry, so he asked his brothers to wait while he made peace with the gods. However, while Maui was away the brothers began to cut and pound up the fish, upon Maui's return he was enraged to find the fish have been cut up. It was these cuts which created the many valleys, mountains, cliffs and plains of the North Island today. (history-org,2015)

New Zealand has the ability to offer the complete package; the landscape, the athletes, the people, and the innovation, along with the rich culture told in the stories. We can use our country and our culture to create a strong, positive, inspiring and honest story when marketing ourselves and our product to the world.

Case Study: Ngati Porou Fisheries Limited

Ngati Porou Seafood Group (NPSG) is a vertically integrated seafood business. The owners of NPSG are the people of Ngati Porou. Porou Ariti Trust governs the fishing company on behalf of all Ngati Porou beneficiaries. (Ngati Porou Seafoods Group,2015)

The long-term goal for NPSG is to develop a profitable and sustainable seafood business group that promotes growth, development and opportunity for Ngati Porou people. (Ngati Porou Seafoods Group,2015)

NPSG are already giving back, since 2002 they have paid over \$3.5 million of dividend to the parent body. They supply kaimoana for tangihanga within Ngati Porou, for major Ngati Porou events and also sponsor things such as Gisborne Boys High School First 15. Scholarships are also being developed for people passionate about a career in fisheries.

Mark Ngata, the general manager of NPSG, has completed both the FAME and Stanford Boot Camp courses and is well placed to take the company forward with his thinking and a clear vision for the future to further add value to their products.



Ngati Porou
Seafoods Group

Branding

All Ngati Porou logos are similar across the group of companies, including the radio station, Hauora, fisheries and farming companies. The brand represents the mountain Hikurangi, the river Waiapu, the sun, the land and its people.

“Brands are living things, not just logos. Brands tell a story, they should represent people, place and product”. (M. Ngata, personal communication, April 16, 2015)

Indigenous character is important to Chinese and Japanese people, they relate to and enjoy the Maori culture and stories that come with the seafood products.

The stories and songs that come through in the NPSG brand give them a competitive advantage over mainstream companies.

One of the success stories from within NPSG is the smoked fish range. The smoking process is a way of preparing and marketing the fish differently, creating a different version of a product that can be used many ways – it can be the feature of a meal or as part of a platter for nibbles.

NPSG have two types of smoked fish. The premium product “Ahia” and the lesser quality Real Fresh. One is about adding value while the other is about moving volume. The products come from the same fish however they are different cuts.

Ahia’s point of difference is the way it is marketed and branded. It is sold in New World supermarkets in the more affluent areas, while Real Fresh is sold at Pak’nSave. Ahia means “fire of the chiefs”. The word is drawn from the expression “ahi a te ariki” which denotes the higher purpose of fire and means “fire of the high-born”.(Ngati Porou Fisheries Limited,2015)

The Ahia website tells the story of the people of Ngati Porou, the descendants of Maui, the greatest fisherman of them all who fished up Aotearoa. It tells of their people, their passion and the lifestyle and culture of the rohe (area).

Case Study: Ngati Porou Fisheries Limited continued

The Ahia website is a complete package. It describes the “art of smoking” and the health benefits of eating fish. It tells the story behind the brand, while giving the perception of being a quality product of value and captures the reader into wanting to see, taste, feel the product and most importantly to buy it.

It successfully includes the three P’s people, place and product.

www.ahia.co.nz

What do we already know?

While there is not a lot of research done on how indigenous branding can help sell New Zealand products, there is already some success with many brands doing it on a smaller scale.

Sharon Forbes and David Dean from Lincoln University completed a research paper in 2013 after being asked by a Maori owned wine company to investigate “what does a Maori brand name mean to wine consumers?” (Forbes & Dean, 2013)

“It is widely accepted that consumers attach important meanings and imagery to brands when they are making a purchase decision. A brand-name influences consumer perceptions of a brand, and these brand perceptions, in turn, influence buying behaviour. There is a considerable body of evidence that brand names are associated with consumer perceptions of quality and purchase intentions.” (Forbes & Dean, 2013)

The key to a successful brand name is that it should be unique or distinct in terms of sound, pronunciation, spelling and meaning.

A brand name can create success or cause it to struggle. A boring name can be easy to forget, whilst a distinctive one can forge the connection with the story or the place behind the product.

To test the success of brand names amongst NZ wines Forbes and Deans classified over 600 New Zealand wine brands into seven categories.

- 1- Regional -the brand-name contains reference to an official winegrowing region.
- 2- Geographic –the brand-name refers to a land feature, or a real or fictional place.
- 3- Indigenous -the brand-name is based on a Maori word or name.
- 4- Animal -the brand-name contains reference to an animal.
- 5- Humorous -the brand-name is quirky, novel or comical.
- 6- Personal -the brand-name is based on a person’s or surname.
- 7- International- the brand-name is based on a foreign sounding language. (Forbes & Dean, 2013)

The online questionnaire was responded to by 218 people in New Zealand. After a series of analysis of variations were run, the following graphs were produced.

Looking at the results of the indigenous rendered wine, it was found there were many positives to having an indigenous name for a wine brand.

The study showed that indigenous brand names for New Zealand wines have proven that they can be successful and can add value to the wine.

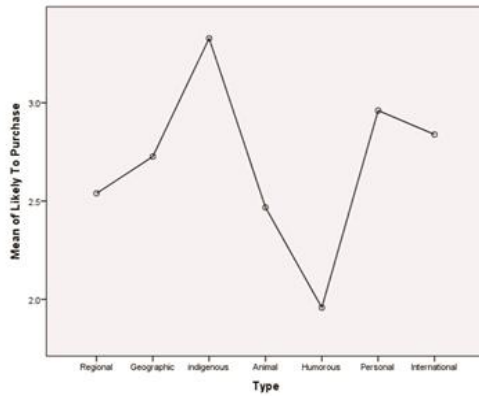
Although there is limited research on the success of indigenous branded products, the results from the wine survey provide evidence that other products should be encouraged to look at their own branding.

One issue arising from the survey was that it was done using New Zealand people in New Zealand, with indigenous New Zealand names. How does an indigenous New Zealand wine compare when the survey is done in another country? If the results are the same as the results for international brand wines were in figures three and five then indigenous branded wine would be expected to perform well overseas.

See graphs on the next page

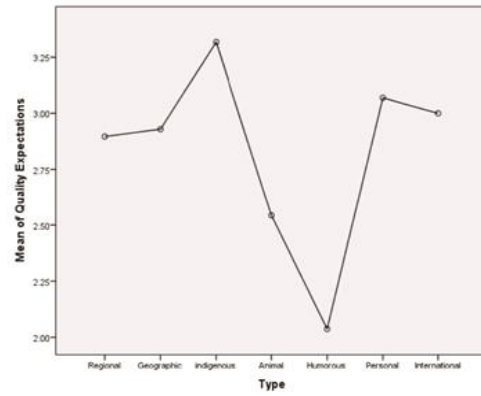
Wine Branding Survey Results

Figure 1 – Likely to Purchase



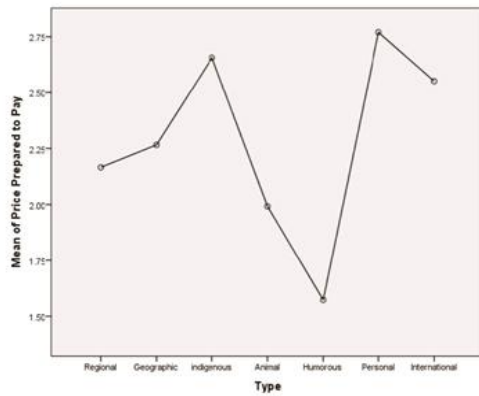
Indigenous brand of wine is the most likely brand of wine to be purchased by the consumer.

Figure 2 – Quality Expectations



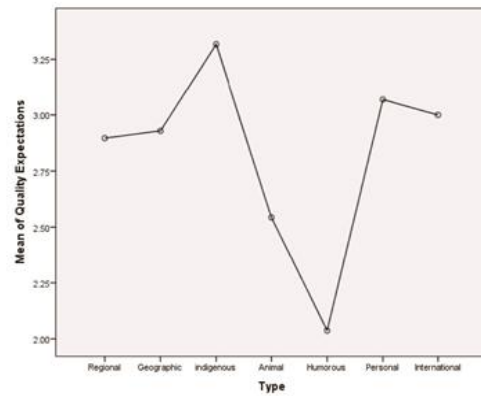
Indigenous branded wine is perceived to be of the highest quality.

Figure 3 – Price Prepared to Pay



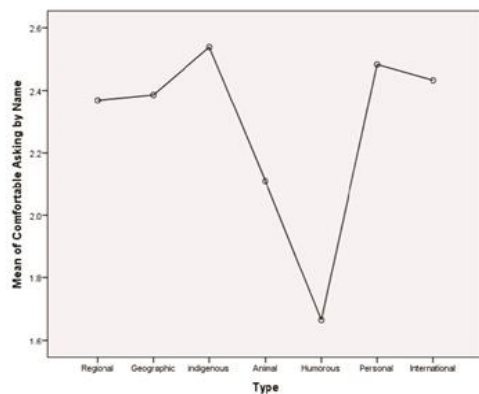
Having the owner's name on the label drove the price up, but indigenous brand wine came in a close second.

Figure 4 – Ability to Pronounce



This indigenous brand of wine is seen as harder to pronounce than other brands, however it is deemed easier to pronounce than international named wines.

Figure 5 – Comfortable Asking by Name



Although Figure 4 showed people may struggle to pronounce the name of the indigenous branded wine, it came out on top when asked if they were comfortable asking for it by name in a restaurant or quality bottle store.

(Forbes & Dean, 2013)

Case Study: New Zealand Merino- making things happen that don't happen naturally

New Zealand Merino (NZM) is an integrated sales, marketing and innovation company focused on transforming the country's merino sheep industry.

The organisation was created in 1995 by Merino growers who wanted to lift NZ merino wool out of the commodity gutter through disruptive thinking and better marketing of their wool.

Farmers were committed to change. They were prepared to pay NZM services to cover the costs such as marketing, developing relationships, negotiating contracts and performing research and development. The cost was twice as much as they currently paid to have wool sold, so NZM had to convince farmers that the extra invested now would generate a lot more revenue to them in the future. (Dendend & Shiv 2011).

Today NZM has 75% market share of all New Zealand merino wool.

It was disruptive thinking that took NZM to the market. They found out what the customer wanted and then brought that knowledge home and worked with the farmers to get the right specification of wool for the market. This was the reverse of the current situation where the farmer grew the wool then tried to sell it.

Buyers wanted to know about the origin and integrity of the product such as animal welfare, carbon footprint and fair trade agreements with the farmer. From this the ZQ brand was formed. ZQ is more than a just a symbol, it represents an ecosystem of people that are innovative, passionate and driven to make a difference. - (Brackenridge,2015)

When selling the New Zealand story it is easy to use beautiful pictures and videos of the landscape and animals, however, this is not unique to New Zealand. One thing that New Zealand has that nobody else has, is Maori culture and its values.

NZM do not have a Maori motif or wording in their main marketing campaign but they have included the words Kaitiakitanga and Manaakitanga into their vocabulary and into their company values, so it is at the heart of the way they run their business.

When working with overseas customers they explain to them the meaning of kaitiakitanga, that it is about the people of the land, multigenerational farming, the guardianship and enhancement of the land. These values are what the customers want to hear. They then get to experience manaakitanga, with the welcoming and hosting of brand partners, which make them feel special. It delivers what



we as a country are good at, having a great time, hosting them well and making them feel at home.

NZM sell only 36,000 bales of wool out of the total 11 million bales sold annually worldwide. Their point of difference over the rest of the world is

Case Study: New Zealand Merino - making things happen that don't happen naturally, continued

kaitiakitanga and manaakitanga, the cultural values of Maori. This is what brings repeat business with the big and powerful international clients. (The New Zealand Merino Company, 2015)

NZM - from the marketer's perspective

Steve Williams is the creative and marketing manager for NZM – he gets to make all the cool videos.

For NZM the use of indigenous culture came about during a whiteboard session listing words about New Zealand.

“Words such as creative, innovative, sustainable were on the board but the one that stood out was kaitiaki”. (S. Williams, personal communication, May 27, 2015)

All countries can do innovative or creative. No one else can do kaitiakitanga. This gives New Zealand a unique starting point, however it is important to know your story. You cannot just tip your hat, the story has to depth and credibility. (S. Williams, personal communication, May 27, 2015)

The origin of the NZM story is Aotearoa. From there they started to bring in the foundations of kaitiakitanga and manaakitanga.

“People say “yes” to sustainability. But when you use a Maori phrase it stops people in their tracks. Maori language is not one-dimensional, the statement tells a story. In a busy world it costs a lot of money to grab peoples' attention. Television ads cost \$1500 per second, but a Maori phrase can stop people instantly.” (S. Williams, personal communication, May 27, 2015)

Maori have the edge. Not all customers want to hear about water quality and animal health, but tell them about the river, that kids and their parents and grandparents and many generations before them swam in, fished in and drunk from and they will be hooked. The use of social and cultural factors rather than economic and environmental ones have a powerful selling point.

NZM have taken inspiration from Pendleton, a group of Native American tribes making woollen blankets. The blankets have distinctive patterns and colours depending on which tribe is being represented. This 100 year old company have created their point of difference in utilising funds from the blanket sales to educate Native American people at university.

NZM are also adding value by teaming with New Zealand Light Leathers to create the brand Kura New Zealand Alpine Leather. This is leather made from the hides of the merino sheep. Wrapped around this piece of sheep hide is a great story.

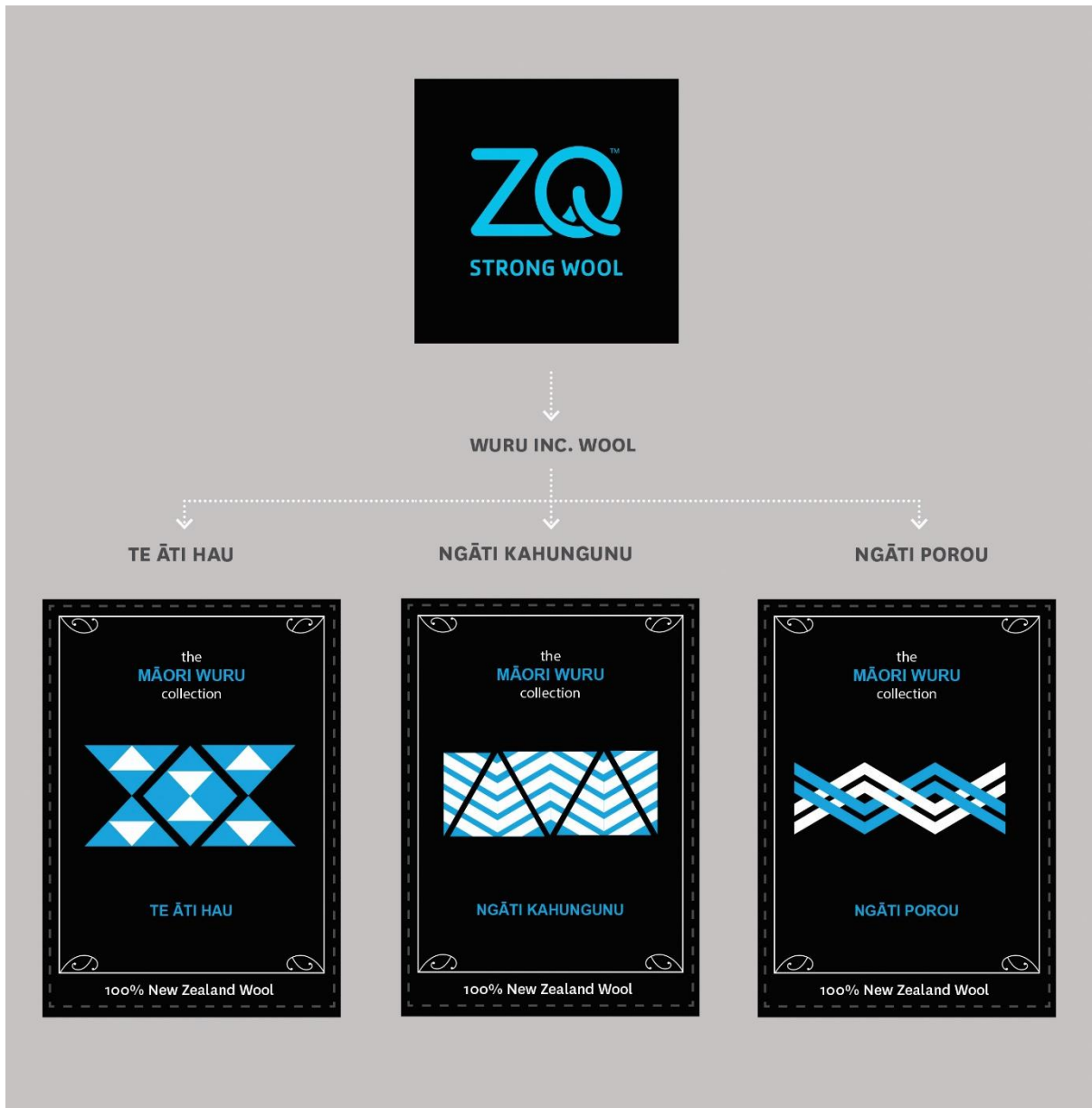
Aotearoa New Zealand: precious and unique, a land where natures beauty abounds.

In the early morning, and again at dusk, you witness Kura - the red glow creeping across the expanse of sky. The Maori people say this is a piece of the gods clothing, torn away to show the brilliance beneath.

KURA New Zealand Alpine leather, a gift from the heavens, rarely seen, and touched with a mark of brilliance. (The New Zealand Merino Company, 2014)

www.nzmerino.co.nz

Case Study: New Zealand Merino - making things happen that don't happen naturally, continued



The above is a New Zealand Merino design concept of the equivalent Pendleton blankets. The different weaving in the wool represent the different iwi from where the wool or wuru is grown.

Adding value – not that simple

For too long now farmers have had their heads in the sand about adding value to their products. You can have a group of farmers at a discussion group, amongst a group of people that they are comfortable with and they will all tell you how to take lambing percent from 125% to 145% and beyond. Ask the same people how to then get the lambs to an 18 kg carcass weight as quick as possible, and they will have all the answers. Then ask them how to extract the most money or value, or what's the best marketing and branding strategy for their lamb, and they go quiet, until someone starts talking about how awesome Richie McCaw is.

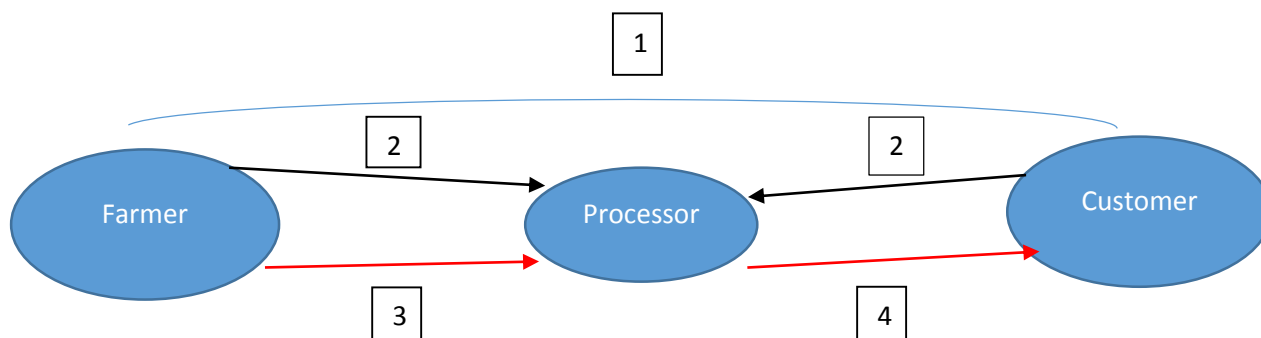
“We estimate that the average value returned to the producers’ gate lies between 10 and 30% of the final retail value of the product produced.” (Proudfoot,2015)

For farmers it is not that easy, marketing and branding is not their specialty. The problem is even the experts find it difficult.

“People believe that adding value is putting a brand on a product and selling extra volume. They fail to consider the investment required to understand the consumer, the market and the product, and the changes that need to be made to an organisation’s structure and culture to deliver the experience the brand promises.” (Proudfoot,2015)

As a country we know we can feed 30 million people. We know we want to feed the richest people. This gives us a consumer base of approximately one billion people. This number clearly exceeds supply, we should therefore visualise and position ourselves as the world’s delicatessen.” (Collier 2015)

For this to work there is a need to align with the customer. Once the customer and the farmer have a clear and solid understanding then the processor can become involved. The processor is still required, but as a processor, not as a storyteller.



1. Farmer and Customer need to work together to find common goal
2. Farmer and Customer work with Processor
3. Farmer delivers to Processor, to specification of Customer
4. Processor delivers to Customer, to specification of Farmer and Customer

“It is important that the farmer and the customer or marketer work together. This gives the opportunity for the New Zealand story and the Maori cultural stories and brands to be told to the right people. Win the heart and trust of the customer not the processor.” (O, Krabbe, personal communication, May 5, 2015)

Adding value – not that simple continued

“Processors and distributors are about volume and through-put, not value added. You may think you’re trying to add value by giving the distributor in China a product with your brand and story on it, only to find it is replaced with their own brand and sold as a commodity.” (M. Ngata, personal communication, April 16, 2015)

If the customer or marketer can be won over by having a better connection with the farmer then there is the ability to add more value back to the farm gate by

- 1) eliminating the need for so many middlemen,
- 2) and when the customer believes in your product, knows your story, knows your family and knows your business, they are more inclined to promote it to their consumers, to defend its higher price and overall, be driven to endorse the product as they feel they are helping their mate out.

There is value to be added to New Zealand products by starting at the end and working backwards. There is too much effort put in at the ground level, and to date what New Zealand farmers have achieved has been amazing. However, like how they have adapted to the use of technology, genetics, information transfer and many other things, there is now a need to ask themselves what the 160% lambing of the marketing world looks like?

Case Study: New Zealand Rugby Football Union

Just about every kid wants to play for the All Blacks at some point in their life. We are a nation of rugby fans. We mourn the loss of an All Black like the loss of a brother and at times we bask in the glory as if we played the game ourselves.

Kiwis are and hopefully always will be rugby mad. While it is almost a jailable offence in New Zealand to not know who the All Blacks are, market research in the UK found that when people were asked who the All Blacks are they can tell you:

- they are a top sporting team
- they wear a black jersey
- they do a dance/performance before the game. (T. Barberel, personal communication, May 14, 2015)



When Adidas first sponsored the All Blacks and the NZRFU, the German company launched the “Black” campaign worldwide to tie in with the 1999 Rugby World

Cup and their new partnership with the All Blacks

Adidas and AIG are big sponsors of the All Blacks and New Zealand rugby. To them there is no other country in the world that celebrates their indigenous people as much as New Zealand. (T. Barberel, personal communication, May 14, 2015)

While these two major worldwide corporate companies might like to utilise the uniqueness of New Zealand’s Maori culture, New Zealand Rugby Football Union (NZRFU) have in place criteria that must be adhered to for Maori culture to be used when partnering with the All Blacks.

During the 2004 Olympics it seemed that every time the TV was turned on the New Zealand Olympic athletes were performing a haka. The NZRFU wanted the haka to remain special and authentic and not be commercialised. They set guidelines as to how and when the haka could be used.

Kapo o Pango was then created for the All Blacks use and to be the All Blacks only unique haka. The Ka mate haka was becoming overly used in commercials and other uses.

Sponsors and partners have the ability to use haka for advertising but it must be Ka Mate only. Video footage is not commonly used and it is generally static shots of the players performing the haka that are used.

Case Study: New Zealand Rugby Football Union continued

Sponsors are also able to utilise the haka for international marketing, however the NZRFU feared New Zealanders were getting hakaed out, and over it. From an advertising point of view the haka has been scaled back at a national level. This is about knowing and understanding the audiences' feelings. (T. Barberel, personal communication, May 14, 2015)

Recently the use of Maori imagery has been used to support the haka. The World Under 20 championship was held in New Zealand in 2014, the motif used was an image of a kahawai, to represent youth. NZRFU are conscious when using tikanga it has to be true to its meaning and it has to link back to a purpose and a reason.

To make sure this happens the NZRFU have a Maori Tikanga Board that has to approve any motifs that can be used. They also have a memorandum of understanding with Ngati Toa around the use of the haka.

NZRFU can feel conflicted when merchandise brands want to use motifs on their apparel to generate sales. Maori imagery is already being used commonly in current fashion by other apparel companies. The NZRFU value Maori culture and do not want to overuse it. All Maori motifs used in conjunction with the All Blacks and their brand partners must go by the Tikanga Board for discussion, is it the right motif, is it the right design for the product being sold?

NZRFU recently launched Team All Blacks. It sits on www.allblacks.com. The idea was to have fans from all around the world feel like part of the team. On the website is a tohu, this symbolises togetherness and that everyone is equal. The tohu has appealed to the international audience and the people of New Zealand who understand the significance when the meaning is explained.

Do sponsors pay more for a team that has a haka? NZRFU feel the answer to this is no!

Adidas and AIG's support is driven by such things as:

- the All Blacks' tenure of success
- their standing in the world
- the ability to turn over product.

Adidas as an apparel company would only sell 1% of product that has Maori tohu or motifs, the rest of the marketing is done by the All Blacks black jersey itself.

The All Blacks have four value pillars within the organisation:

- performance
- team
- heritage
- New Zealand

The New Zealand pillar is about flora, fauna, people, culture and society. Corporate companies do not sponsor because of the haka, they sponsor on the values that are underpinned by the four pillars. The benefit is that the New Zealand pillar is unique to New Zealand, it adds value to the relationship and allows international sponsors to dial it up and promote their product with a New Zealand flavour. (T. Barberel, personal communication, May 14, 2015)

Common comments on the use of indigenous branding

Throughout the interviews there were common comments that came through from many of the people interviewed. Some of them include:

- **Know who you are before you go out to the world.**
How can a company tell their story well if they themselves don't know who they are? You and your staff must know your company's values, the strategy and the vision for the company.
- **There needs to be collaboration.**
Although you may have a niche market, you still need scale to be successful. There is no point having 50 different Maori Manuka Honey brands. It is better to have one brand with one story and enough scale to be able to supply the best customers.

As well as collaboration with each other in New Zealand don't be scared to reach out and do joint ventures or collaborate with customers from overseas. New Zealanders have a No 8 wire mentality that they think they can do it all themselves, sometimes working with others can help you do a better job and get your business going forward faster.

- **Bring the customer to you.**
Make an impact on them in New Zealand. Let them get to know your business, your staff, your values and your vision.
- **Work with people/customers who have the same attitudes, ambitions and values.**
Customers that don't align with your business are not who you want to work with.
- **The brand must match the product.**
There must be integrity in the product and there should be communication with the iwi around the use of each motif or word that is used.
- **Know your market.**
Asia catches on to Maori culture because they share the same values. The western world connects with the culture but not as quickly. Don't focus globally, focus on key regions around the Pacific Rim, particularly specific cities that are wealthier than others.
- **Don't just make it a Maori brand, make the story around New Zealand and the Maori culture.**
Use the New Zealand Inc. approach - open hearts, open minds, open places. Look at having the New Zealand flag on your product to show the country of origin.

Recommendations

There is limited research into the success of New Zealand indigenous branding. While there are successful businesses that are using indigenous branding to sell the products all over the world, their success cannot be accredited to the brand alone.

Recommendations going forward are:

- There needs to be more worldwide research done on how much extra value can be gained by utilising New Zealand's Maori culture as a marketing and branding tool.
- Businesses need to work out their values and vision before utilising Maori culture. They need to know who they are before they can build a Maori brand around themselves. How can you tell a story about yourself, if you don't know who you are.
- There needs to be more collaboration of New Zealand businesses so that there does not become many different brands all telling a different story but selling the same product. An example of this is the many different Maori branded manuka honey brands leaving New Zealand shores all telling a slightly different story but in reality selling the same honey, in some cases honey bees have at times almost flown side by side.
- Go to the market and work back from there. The farmer needs to learn to build the relationship with the customer.
- Give the customer the opportunity to experience New Zealand. Let them explore our country, show them how your business works and what it means to you to be sending your product to the other side of the world. Share your story with them.
- Read the KPMG Agri business agenda – Volume One – Growing Value

Conclusion

The report looked to discover if indigenous branding could add value to the New Zealand primary sector. The report has found that the companies that have included indigenous branding and indigenous culture into the way they do business are having great success.

Indigenous branding is still only happening on a small scale with the New Zealand export market and it is unknown what would happen if it was to occur on a large scale.

The report found that it is not as simple as was creating a brand and sending your product overseas. Brands are a way of telling an international audience a story. This takes perseverance and time to build trust in relationships. Indigenous branding is about using a brand to tell a story about yourself, your people and your product. However, that must then be backed up by consistent delivery of quality product.

While not everyone will launch into a Maori brand, there needs to be some control around how many New Zealand indigenous brands go out to the world. Too many will turn niche market products back into commodities as each brand tries to outdo the other. There is a need to collaborate with each other so that this does not occur.

The report found the seven characteristics for building a successful brand. Audience knowledge, uniqueness, passion, consistency, competitiveness, exposure and leadership, are all attributes that are required to build a successful brand. These attributes already exist in many New Zealand businesses. It is a matter of using them as a benchmark to ensure they are all in line so that your company and its brand can go forward.

The wine branding research carried out by Forbes and Dean showed that there is a place for indigenous branding with wine. The results speak for themselves. Indigenous branded wine was expected to be top-quality, people were prepared to pay good money for it and they were happy to ask for it by name at a restaurant or a bottle store.

There needs to be more collaboration amongst businesses, this is something that has struggled to be achieved in the past. But if there is to be a forward movement around marketing there needs to be a united front.

To build a successful brand the farmer must work closer with the customer, not deal with the processor or distributor but deal with the person who will cook the meat or will make the jersey.

Overall the focus should be about the New Zealand story with Maori culture woven through it. Utilise the Maori culture this country has to offer, to steal the heart of the customer. But also use the greatness that New Zealand itself has to offer the world. Build a story around both these aspects, know your story well, believe in it, make the hairs on the back of your neck stand up when you tell it. Because, if you and your company believe, then the customer will believe too. When the customer believes in the value of the product, they will take a product and pass the passion and belief that you have given to them onto the end user, the people who will eat the meat or wear the jersey.

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Appendix

Some Maori Terminology

Kura – Red glowing

Maunga –Mountain

Awa- River

Whenua – Land

Powhiri – welcome (beckon them to come on)

Korero – speak, talk, address crowd

Wuru- wool

Tohu-mark, symbol