

ADDENDUM TO ‘DEVELOPING THE STORY FOR WESTERN AUSTRALIAN HONEY’

This addendum to the final report on ‘Developing the story for Western Australian honey’ provides the results from a short qualitative study with honey distributors in the Middle East and Japan. It adds further insights into these export markets and the current marketing and promotion activities that are being implemented. It then makes several recommendations for both industry and government to form positive relationships and supply networks within these countries. This lends further support to the findings presented in the initial report and extends the work by offering a more complete picture of the supply chain. This work should be read in conjunction with the full report prepared by Feddema et al. (2022) available on the Cooperative Research Centre for Honey Bee Products website (<http://www.crchoneybeeproducts.com>).

Methodology

The University of Western Australia (UWA), in collaboration with the Department of Primary Industries and Research Development (DPIRD), eight interviews were conducted with honey distributors within the Middle East (N=5) and Japan (N=3), two of the six target regions from the primary study (For a description of participants see Table 1). These two regions were selected based on the availability of participants as DPIRD had existing trade partnerships within these two areas that could provide a study sample. After obtaining ethics clearance from the UWA Human Research Ethics Office (2021/ET000440), in-country representatives from DPIRD reached out to their industry contacts and invited them to participate in the study and interviews were then scheduled according to the availability of the participants and the UWA research team. Interviews with Middle Eastern participants were conducted by a member of the UWA research team who is fluent in Arabic, while interviews with their Japanese counterparts were conducted by a native Japanese speaker.

Interviews were conducted using video conferencing software and then audio and video were recorded to maintain an accurate record. Interviews were completed either in English, Arabic or Japanese depending at the participants’ discretion and were then transcribed using automated transcription and translation software which was manually corrected by the interview staff to ensure accuracy. English transcripts were then downloaded and manually analysed using the qualitative research software NVIVO 20.

Table 1. Participant table.

Participant	Company	Distribution	Current Imports
1	Distributor	UAE	Predominantly imports fresh fruit and vegetables from Australia, not currently honey but looking to get into it.
2	Distributor and Retailer	Middle East Africa	Imports honey from France both for retail and to provide to hotels.
3	Distributor	-Kuwait -Bahrain	Import and distribute honey from several countries, with a particular focus on organic honeys.
4	Distributor	-Saudi Arabia -Oman Bahrain	Imports more than 300 Australian processed, packaged foods and beverages including honey from New Zealand and Australia.
5	Distributor	-Oman -UAE -Qatar -Kuwait	Imports food products from different countries around the world including Manuka honey from New Zealand.
6	Distributor	Japan	Imports honey from China, Argentina, New Zealand and previously from Australia but not currently.
7	Distributor and Retailer	Japan	Only imports Jarrah honey from Western Australia.
8	Distributor and Retailer	Japan	Directly imports honey from New Zealand and on-sells imported Australian honey.

Findings

Distributors' preferences for honey suppliers

Middle Eastern distributors had diverse opinions on the types of honey suppliers they prefer to work with. Two distributors (Distributor 3 and 5) indicated that they typically worked with larger brands that had the money and *"muscle power to drive the market and try to make a market share for themselves"* (Distributor 5) to compete with the more established brands in the market. However, Distributor 2 indicated that they prefer small suppliers and farms to deal with as they can build better relationships and have an exclusive brand deal with that supplier. All distributors stated that the most important characteristic is the ability to supply high quality product and have a clear and distinct value proposition.

"We want that little niche that our vendors should have...the story behind the product. We have a lot of vendors that are over 100 years old, for example... We want that little story that separates them from the rest of the pack" Distributor 1

"So what we look for is how different the honey is; if they have some different offering. There has to be one point of differentiation for us to take any brand on board." Distributor 4

Japanese distributors discussed a preference to work with honey suppliers that would be cooperative and transparent about the entire process of honey production. This was indicated both as a way to tell a "valuable story to consumers", about the nectar source, the region its from or the process and story from hive to plate. Distributor 7 also mentioned that they were particularly interested in visiting WA and the apiaries to experience the process of collection and processing. Additionally, distributors wanted to ensure that they understand the way hives are managed in terms of pesticides, antibiotics, organic certification etc. to ensure that they can import the honey according to Japanese standards. Distributor 8 mentioned that due to a scandal with some fraudulent producers and an issue of pesticide presence in New Zealand honey, that distributors were now more cautious about ensuring that they fully understand how the honey they import is produced, Finally, on supplier indicated that it was important to them that stock would not run out, however they also noted that they did not want to import large quantities of honey as they were only a small business.

"I don't think that certificates are always necessary for pesticides every time, but what kind of environment it is made in... is the aspect that we really want to know about. That's why I would not be able to explain it to customers unless we know exactly how they are made... Especially now, Japanese people are quite sensitive about pesticides, so I think it's an important aspect" -

Current promotional activities

Middle Eastern retailers reported currently use in-store promotional activities through tastings, key facts and information on the shelves (through wobblers and banners) and themed promotions and sales (for example one week spotlighting health products, one week spotlighting back-to-school products etc.). While distributors and wholesalers discussed using tasting events and showcases to educate potential business partners about the product range, *"So I see a lot of information or side events...partnering with [a retailer] that are done to educate the customers about the products, like a small tasting session, breakfast session, where the brands and retailers join together to have that kind of event highlighting the products"* (Distributor 3)

Social media and digital marketing were also a key part of their promotional strategies (with the exception of Distributor 1 who works exclusively with hotels). Distributors mentioned a variety of content styles including paid social media advertising, pop-up advertisements, information initiatives to raise awareness, using influencers with large followings and using e-commerce platforms for digital storefronts. Distributor 3 did note

however that many of their imported brands did not choose to pay large amounts into sponsored advertisements for Instagram for example, instead preferring to “*directly invest that amount into the retailers and e-commerce channels that will help them uplift their sales*”.

“Even though we have the best honey from Western Australia or any part of the world, if that message is not really communicated to the consumers, it gives a tough time for consumers to come and taste the honey which is newly on the shelf. So social media activities...to raise awareness of the brand of the Honey from Australia and Western Australia is really appreciated from suppliers” Distributor 4

“Social media apps, along with the influencers. Yeah, it helps a lot. Those having a massive followers talking about the products, how to use ingredients, recipes. Yes, it's really helpful”

Japanese distributors were asked about the current promotional activities that they employ, both for WA honey and for honey from other countries. One distributor reported that suppliers from Europe, the United States or other countries often visit Japan to see the market and increase credibility with local vendors, while there were not many Australian suppliers or corporations doing the same thing. Additionally, they noted that with New Zealand Manuka honey “*establishing the premium brand is fully supported by the government*” and this is also the case with other countries and states. Another distributor indicated that best way to promote honey in Japan is via exhibitions such as FOODDEX or Apimondia where they can network with distributors and other suppliers. For their promotion of WA honey, distributors particularly pointed to the benefit of honey tastings and allowing their consumers to try different varieties. They noted that although narratives and stories are important to lead to consumer interest, “*the most effective way is to try the taste of honey*”, particularly if you can provide recipes or cook the food for customers. However, it was noted that tastings are not always possible, especially as they were banned at certain times during COVID-19. As a result, distributors supplemented these in-person promotions with mixed media strategies.

Distributors indicated that they used social media, specifically Instagram and Facebook, and using influencers to promote honey, especially if they are good at cooking and can demonstrate how to cook with honey in their content. However, Distributor 7 noted that much of the information that is presented on social media has low credibility and that “*90% of audiences/customers do not trust what [influencers] advertise in Japan*”. Their company therefore advertises using magazines with high credibility that both advertise the honey as well as presenting information in an interview.

Preferred marketing narratives

The five Middle Eastern companies all reported predominantly using marketing narratives built around the story of the honey production and the source of the honey, with distributor 2 specifically mentioning that honey is moving into a terroir strategy. These narratives are presented to consumers through labelling, imagery or information and awareness campaigns and can improve the perception of quality and the trust that consumers have with the brands. However, distributor 3 felt that these narratives were ultimately “*overpowered by the taste, [which] drives the decisions for consumers*”.

“The premium honey market is going into that, almost like a wine sommelier, kind of a marketing strategy where they have specific regions, they have specific tastes and terroirs and stuff like that. Oh, this is from Western Australia or this is from the south of New Zealand. etc., etc.. So they are going into that direction, you know, approaching the customer in that sense” Distributor 2

“you should have a proof of its quality, for example, there is the certifications which are important. There are honey producers that they have been posting the entire process of their honey in social media and at their company page, to pass the message that this is how we make our honey. That's why it has the highest grade” Distributor 5

The narratives and marketing content presented by Japanese distributors and retailers via these platforms varies across contexts, as some distributors sell both business-to-business (e.g. to hotel chains and restaurants) and business-to-consumer directly. Predominantly, the distributors discussed a focus on consumer education. One distributor referenced a successful strategy in which they promoted specific honey that matches with different foods (such as cereal, tea or toast). The two other distributors indicated that consumers responded to information on how honey is produced and collected in WA. Specifically, information about how bees produce honey, the nectar source of the honey, the region in which the honey was collected and stories from Australian consumers that have had the honey before,

Perceptions of consumer preferences

Distributors also spoke more generally about consumer preferences that they observed within the honey market in the Middle East. In terms of the product itself, distributors mentioned a variety of attributes which combined to create a sense of quality and sends the cue to consumers that it is a 'premium' product, including certifications, the colour, the texture, the taste. Packaging and labelling was also discussed and distributors indicated that glass packaging was typically associated with more premium products as there is a belief it keeps products more fresh in the heat and is more elegant. One distributor also mentioned that imagery on labelling should meet the conventions and standards of the countries, mentioning that *"once there was a logo on a travel product that included a tree with a pig, although the product did not contain any pork, we asked the supplier to remove the picture. this was not allowed"* (Distributor 1).

As expected based upon our other data, health properties were mentioned as important for consumers, particularly in regards to Manuka honey. It was also suggested that premium consumers looking for health benefits were more likely to conduct research on the honeys and look for additional information on the MGO or TA levels and certificates or authentication are key to communicating the quality of the health benefits (Distributors 2 and 5). Additionally, organic certification was mentioned by three of the distributors and distributor 1 discussed the importance of having a certificate of terroir authenticity such as the French AOP (Appellation d'Origine Protégée) label if you intend to market the region of honey production – *"There is something called AOC, which is a type of certificate that says that this area is the only one that is allowed to produce that type of honey...BUT when the country does not do [this] type of protection for their products, then nobody cares about regions. Having such a type of certificate, it is a key factor to sell that product"*. Interestingly, two distributors indicated that consumers, particularly in Saudi Arabia, Kuwait and Qatar, prefer to purchase products from expensive retailers, even if the same product is cheaper in a supermarket as they prefer the *"prestige"* of expensive products, *"we have the malls over here have small kiosks where they sell these premium honey, And when I say premium, they come into the range of \$100 to \$400 per kilo"* (Distributor 3), *"we cannot price premium honey at a lower prices. That will not be acceptable in the market"* (Distributor 4).

Japanese responses largely supported the information that was collected directly from consumers in focus groups, further validating our preliminary data. For Manuka honey, both from New Zealand and Australia, distributors indicated that it was viewed by consumers as a medicine, with Distributor 6 stating that in 2020, honey was promoted as good for treating COVID, increasing demand for honey as a health supplement, especially if it has a "medicine-like" or "bitter" taste. Consumers buying honey as a food product however were reported by all three distributors to care mostly about the honey flavour and texture of the product as *"after all, the taste is the deepest layer....the most important thing to sell honey"*.

As mentioned earlier however, it is not always possible to taste honey in-store, and therefore distributors indicated that labels and packaging increased in its importance to consumer purchasing decisions. Labels that are *"cute, cool or beautiful"* were considered the most interesting and one distributor felt that *"Japanese people would prefer designs that are popular and [have] famous characters on labels"*, which echoes the data we obtained in the consumer focus group. Following packaging, the credibility of the brand and the safety of the consumer were deemed to be the next most important aspect to consumers, with certificates or labels such as the 'Made in Australia' stamp adding value to products.

Recommendations for future export strategies

Finally, distributors were asked about specific efforts that could be made by the WA organisations and government to successfully form relationships with distributors and increase their presence of the WA honey industry in each market (See Box 1). Middle Eastern distributors felt it may be difficult Australian honey to gain traction in a very competitive market that currently supports local honey, imported honey from Europe, the UK and Yemen. Some distributors also indicated issues they faced when working with Australian brands, including a perception that shipping took a long time, that supply was inconsistent and that they are slow to react to changes in requirements (such as regulations) or changes in consumer trends.

Four of the distributors indicated that increasing the activity of the brands in the region and connecting to consumers through in-person events and trade shows is likely to be the most successful way to build networks and relationships with retailers and distributors in market. Given how strong the dominant honey brands are in the Middle East, these methods were deemed necessary to encourage buyers to try new things and switch brands and to be able to taste the honey and determine that the marketing is accurately representing the quality of the product. On an industry level, distributors recommended working together to sponsor events during Dubai Restaurant Week or to present at the GulFood Show.

"[GulFood] is the biggest food event where all the companies come around and showcase their products... we definitely see a lot of Australian brands where we have the Australian pavilion all together, all the brands in different categories are available over there showcasing their products. So that is definitely a kick start. The key decision makers across the FMCG [Fast Moving Consumer Goods] industry are present over there. So that's a big step to enter the market" Distributor 3

Similarly, Japanese distributors suggested that one of the key factors would be overall cooperation across brands, organisations and government to promote at expositions and have more frequent engagement in-country as this is how other countries operate in the market, including New Zealand, leading to a preference for dealing with our competitors – "After all, New Zealand is better as a way to sell (when it comes to marketing). *The country is fully involved, not just the state government. Because of the NZ country entanglement, the UMF standard has been set...it is managed by the country and exported. There is an added value attached to the place (NZ), so it feels like their way of exporting honey is smart there*" (Distributor 6) Additionally, they suggested that more opportunities be created for information about WA honey that is targeted to a Japanese consumer specifically, for example creating manga (Japanese comics) about the production process, or having chefs demonstrate how to cook with honey in Japanese cuisine.

Box 1. Recommendations for marketing honey from Distributor 7, presented in full –

"There are quite a few beekeeping resort tours in these counties [referring to Greece and Europe]. This is one of their promotion strategies with beekeepers and honey. They organise a tour with such a beekeeper in promotion, including that kind of resort area. If this kind of tour hasn't been in Australia, it might be a good idea to consider planning these tours. I've heard stories from other brands in the form of doing such things in other countries, governments, and industrial organizations.

I've heard stories from other brands in the form of doing such things in other countries, governments, and industrial organizations. In order to have customers understand honey with the trust and repeat customers, the connection between brands, customers, and countries is being created over the past year and a half, and it was something I learned. So, if we could do some discussion with Western Australian universities, research institutes, WA beekeepers, and professionals, that would be very useful in the future" –Distributor 7

