

International Marketing Strategies of Smaller Asia-Pacific Agro-food Companies

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Abstract:

Smaller agro-food companies in the Asia-Pacific rim have been found to pursue a niche-based differentiation strategy in international markets. Recognizing the broad reach, variety, and continuous product improvements of global food brands, these companies have been deeply focusing on market segments that are culturally and religiously familiar with those in their home countries or region. These include, among others, migrant communities where overseas workers and families live; and markets where *halal* food is preferred. This gives them some initial advantages associated with 'country of origin' reputations from which subsequent product or market development activities can be built upon.

The growing demand for safer and healthy foods by middle and higher-income households, and quality food ingredients by big food processing companies have provided a window for smaller agro-food companies to participate in contractual arrangements with dominant players in the global food chain. Preferences have been expressed on those smaller agro-food companies that have earned a reputation for delivering supplier and customer-valued desired attributes. These can be expressed by (a) putting into place quality control mechanisms (e.g. clear product information and traceability features in the labels); (b) a clear demonstration of the integration of sustainable development practices in their operations and strategies (i.e. sustainable agriculture and fisheries, and greening the supply chain initiative); and (c) embarking on market adaptation practices that directed product improvements to consistently meet peculiar tastes and preferences of target market segments (e.g. lesser spice yet authentically-prepared food favorites in Asian restaurants overseas).

Despite the clamor to offer quality agro-food products at affordable prices, there are segments that have manifested their willingness to pay a premium for customized goods that offer novelty and uniqueness. It's an opportunity that is right up the alley of smaller firms.