

## Case study

### Branding Zanzibar cloves and revitalising the island's spice sector and image

To many outsiders, the image of Zanzibar is of an exotic and beautiful island, famed for its role in sea based trade and the production of spices. The perception is in contrast to a reality of poverty and decline. Zanzibar, mainly Pemba Island, was once the world's leading clove producer, but annual clove sales have plummeted by 80 percent since the 1970s. Despite the continued positive external perception of the island, Zanzibar is a poor country: GDP per capita was around \$660 in 2012.

The island is highly fertile, and offers potential to increase production of high quality spices. Today, most of the production of cloves is sold into commodity markets (for example as an ingredient in Indonesian cigarettes), meaning that the origin of the spices is unknown to the end customer. This business not only has low margins: it is subject to price instability and increasing commercial pressure from larger production centres in other countries.

To counter the fall in margins, the Zanzibar government is committed to promoting higher quality, higher priced grades of cloves and spices. Investments have been made in organic production and quality

certification. In order to capture the value of this higher grade of production, the country has been assisted in the development of a branding strategy by ITC.

Since late 2012 ITC has worked with the major stakeholders on the island to create a new and distinctive brand for cloves and spice based products from Zanzibar, capitalising on the heritage, culture and positive associations of the origin.



A series of creative branding workshops were held with public and private sector stakeholders, engaging more than 100 people in the process. By ensuring commitment to the objectives behind the branding: that higher grade organic spices should be planted, nurtured and certified and that the profits of the project should be shared between farmers and other local actors involved in the transformation of the spices, commitment was achieved to a programme that will take several years to fully accomplish.

The "Exotic, organic and original" spice brand builds on the unique characteristics of Zanzibar's people and environment as well as the authentic history of cloves and spices in Zanzibar.

"As you walk through a small clove plantation near a village on the island of Pemba, you get an immediate sense of the potential of Zanzibar's signature crop. People working together in local communities to grow, harvest, dry and collect cloves. It's easy to see how the 'Spice Tour' concept works for tourists – it is a total sensory experience."

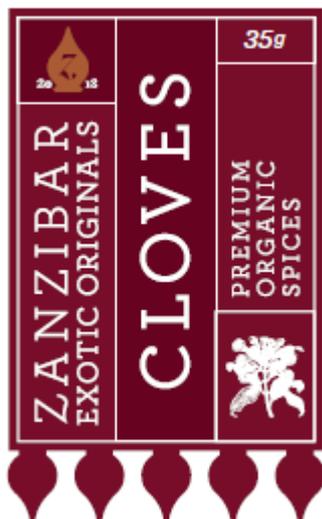


ZANZIBAR  
EXOTIC ORIGINALS



## Case study

The pilot launch of the branded spice products targets tourists visiting the island. Branded gift packs were designed, accompanied with supporting commercial materials such as recipes, brochures and web sites. The local team were assisted in the sourcing and production of packaging and in designing a commercial launch and promotional strategy for the new spice range.



ITC was assisted in the project by WIPO (World Intellectual Property Organization) which provided complementary support to the local teams in registering the intellectual property, including the newly created “Zanzibar Exotic Originals” trade mark. The two agencies have used this experience to define additional areas in which they intend to cooperate to support developing and least developed countries in creating and protecting brands.

The longer term mission is to dramatically improve the success and profitability of the spice sector, positioning Zanzibar as a premium branded origin for spices and derived products. Ultimately it is about making more money for the local people; Zanzibar is currently selling cloves in bulk for \$8,000 per ton which equates to the equivalent of only around 28 cents for a 35 g standard spice bottle. With the premium branded

product sold to tourists in the island, the revenue per tonne is more than 25 times higher. Even accounting for the higher production and distribution costs, selling the gift packs is a far more lucrative use of the high quality crop than selling it to industrial buyers.

A concept for branding the entire island: its economy and tourism industry as well as other products than spices is under study.

By linking the business proposition and brand story to an attractive and creatively branded set of products, ITC has initiated a process in which the Zanzibar producers are targeting higher grade segments, which in turn is expected to stimulate investment in quality and production capabilities. Through this positive cycle of higher returns and consequent investment in quality, the local team aims to transform the potential of the spice business, sustainably creating and capturing wealth on the island.



---

*“In a visit to a women entrepreneurs’ group producing ‘spice soap’ in Stonetown, it quickly became clear how a small investment could make a big difference. Everything is currently processed by hand and the packaging is below international standards, but the group has already acquired machinery to hasten production, improving efficiency and profitability. The problem is they have no electricity to work the machinery which requires a further investment, and unsecured capital is almost impossible to source. But there is huge potential to involve more people in better managed down-stream processing”*

---

