



# REGIONAL BRAND BUILDERS





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TO ELEVATE THE ROLE THAT

**REGIONAL,**

LOCAL AND PLACED-BASED

**BRANDS**

PLAY IN THEIR RESPECTIVE CATEGORIES BY

**IDENTIFYING**

AND LEVERAGING THE

**UNIQUE BENEFITS**

THESE BRANDS OFFER TO CONSUMERS

# Our Mission

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# Regional Brands

Regional Brands are marketed within certain geographic areas

**Brand:** (n)

a class of goods identified by name as the product of a single firm or manufacturer

**Region:** (n)

a broad geographic area distinguished by similar features.

A region is traditionally defined as an area with a diameter of approximately 500mi. This mileage is taken from the typical distance at which two cities become “spacially independent.”\*

**Regional brand:** (n)

a brand sold only in certain regions  
(does not have national distribution\*)

“One possible differentiating factor... is whether consumers perceive place-based foods from regional producers differently than foods from conventional (centralized) producers.” \*

“ PLACED-BASED FOODS HAVE UNIQUE TASTE & QUALITY CHARACTERISTICS THAT ARE INFLUENCED BY THE ECOLOGY, CULTURE, AND TRADITIONS OF A SPECIFIC REGION ”\*\*



Miriam Webster Online Dictionary

\*Bronnenbeg, Bart J., Sanjay K. Dhar, Jean-Pierre Dubé. Consumer Packaged Goods in the United States: National Brands, Local Branding. September 30, 2005: 9,11.

\*\*DeCarlo, Thomas E., Veronica Jean Franck, Rich Pirog. Consumer Perceptions of Place-Based Foods, Food Chain Profit Distribution, and Family Farms (MSP04-05).2.



# Regional Brands

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Regional brands support **economic sustainability**

**Regional brands enhance and sustain regional economies**

- Without local capital, a regional society cannot thrive
- Import Substitution – Regional brands retain community cash flow, thereby sustaining the regional economy
- Regional brands are the lifeblood of any sustainable local economy.

“

AS THE VARIETY OF GOODS AND SERVICES **PRODUCED LOCALLY** EXPANDS, THE RICHER COMMERCIAL ECONOMY ATTRACTS AND HOLDS **MORE OF THE RESIDENTS' DOLLARS**. LOCAL DOLLARS THAT WOULD HAVE OTHERWISE FLOWED OUT OF THE COMMUNITY TO PURCHASE THINGS THAT WOULD ADD VARIETY AND QUALITY TO THE RESIDENTS' LIVES, **STAY IN THE COMMUNITY TO PURCHASE LOCAL SERVICES.\***

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\*Michael Power quoted in Michael Shuman's book Going Local



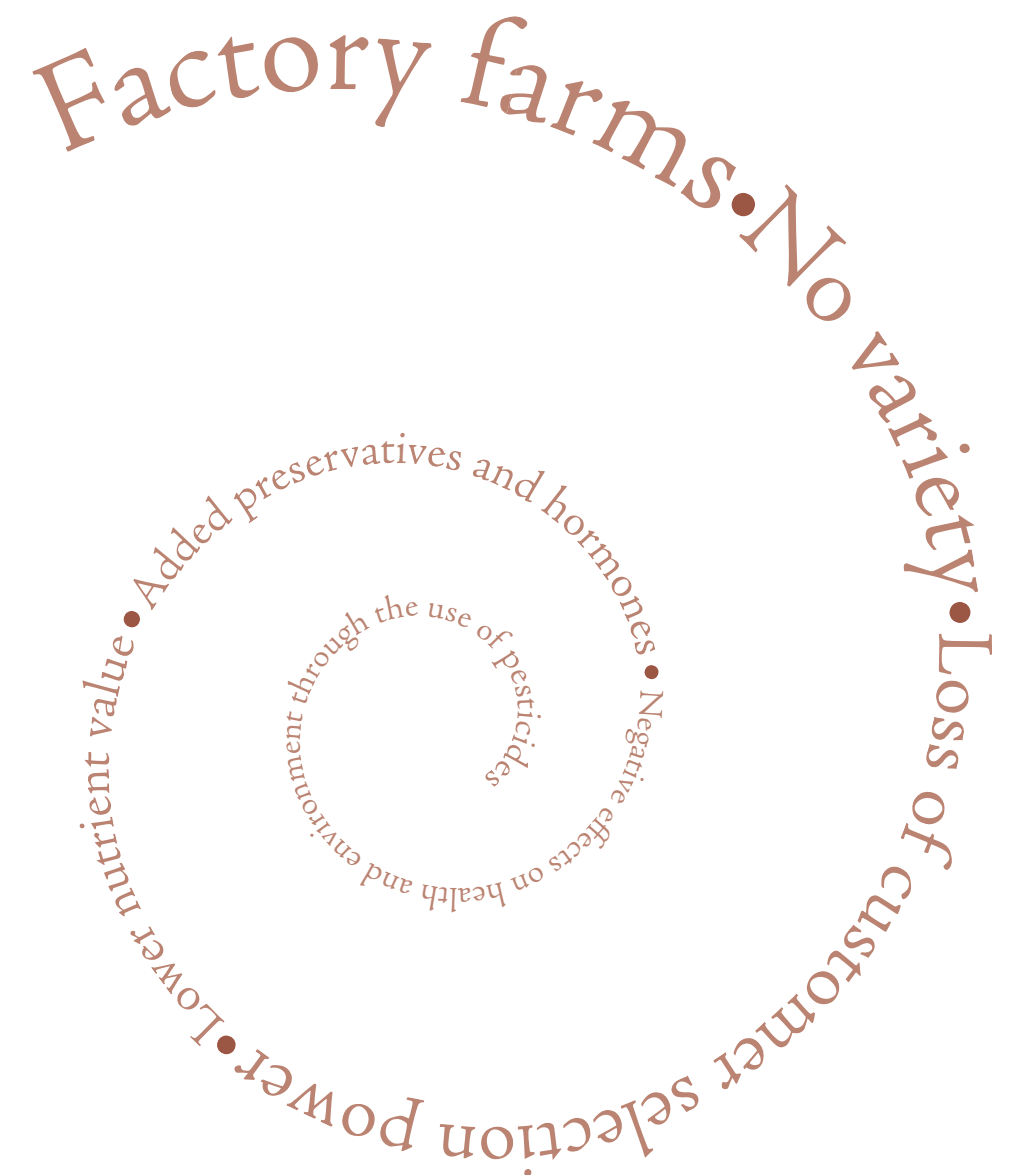
# Centralization

**Centralization** (in **opposition to regional brands**) allows product allocation across large areas from a central distribution center

“The companies that operate most efficiently – and thus are able to offer their products at the lowest prices – **dominate most modern commoditized markets**

**Historically**, this reality has prompted many companies to emphasize **lower costs** and **higher volumes**

Such an approach clearly tilts the playing field **in favor of the biggest producers** who are able to capitalize on **economies of scale**, and simultaneously places small and mid-size... producers at a significant competitive disadvantage.”\*



\*DeCarlo, Thomas E., Veronica Jean Franck, Rich Pirog. Consumer Perceptions of Place-Based Foods, Food Chain Profit Distribution, and Family Farms (MSP04-05). 2.

# Strengths & Benefits



**Regional brands** have the ability to **compete** with large **national labels**

Regional brands do not have to become a thing of the past. Current studies show that a **“strong private label program in a local retail chain can have a large impact on the category.”**

**A study of 1550 market/category pairs revealed that 25% of category leaders are manufacturers of regional products**

For example, regional brand Community Coffee leads the coffee market in New Orleans despite the presence of large national coffee manufacturers such as Folgers and Maxwell House. In South Carolina, Duke’s mayonnaise leads its category against brands such as Kraft and Unilever. The bread and cottage cheese categories have no nationally distributed brands

A national brand that is a category leader has a minimal statistical advantage over a regional brand, with the national average just over 2%\*

“SURPRISINGLY,  
MANY LOCAL BRANDS HAVE BEEN  
**ABLE TO DEFEND**  
THEIR MARKET SHARE OVER TIME  
**AGAINST NATIONAL BRANDS,**  
OWNED AND MARKETED BY LARGE  
INTERNATIONAL CPG FIRMS.\*”

\*Bronnenbeg, Bart J., Sanjay K. Dhar, Jean-Pierre Dubé. Consumer Packaged Goods in the United States: National Brands, Local Branding. September 30, 2005: 6,12,13.



# Opportunities

NARROWING THE INNOVATION PROCESS  
TO THE LOCAL LEVEL  
FORCED GREATER DEPTH OF

# VARIETY

AND EMOTIONAL BRAND ATTACHMENT

## For Marketers: “Narrow and Deep” Innovation Approach

### Traditional CPG Approach

seeks innovations that appeal to a wide national or global audience (to match the centralized manufacturing footprint)

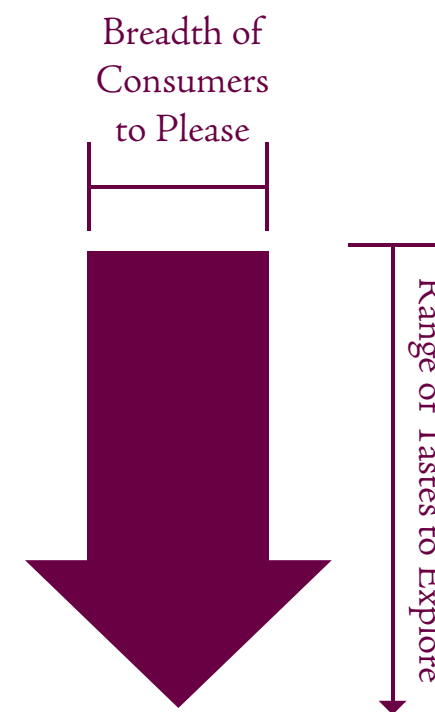
yields vanilla results (consumers vary widely in their taste preferences on a national basis)



### Local Approach

starts with consumers that share a common history and allows for exploration of a wider variety of tastes.

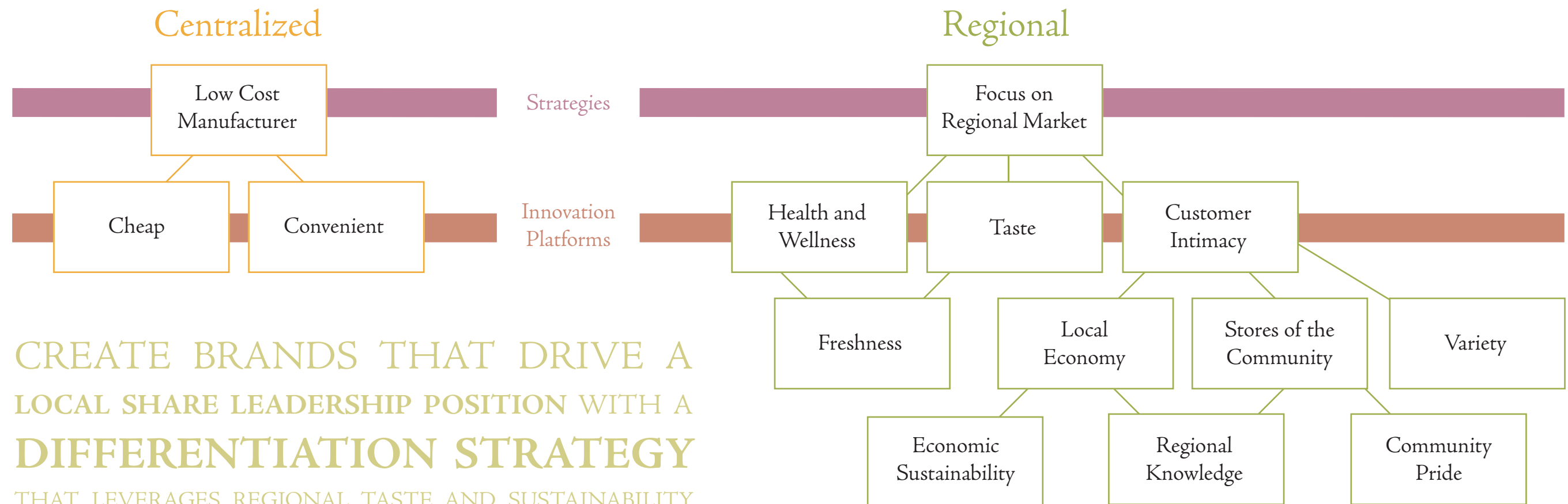
Smaller scale manufacturing is right sized to produce to regional taste and maintain the integrity of local sustainability





# Opportunities

For Marketers: Competitive Strategy



CREATE BRANDS THAT DRIVE A LOCAL SHARE LEADERSHIP POSITION WITH A **DIFFERENTIATION STRATEGY** THAT LEVERAGES REGIONAL TASTE AND SUSTAINABILITY



# Opportunities

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## Balancing Category Management: Segment Roles

### Private Label

Quality  
Assortment  
Price  
Value

### National Brands

Promote category  
advertising  
coupons  
Drive usage  
Innovation  
attribute driven  
convenience  
health and wellness  
Premium price

### Regional Brands

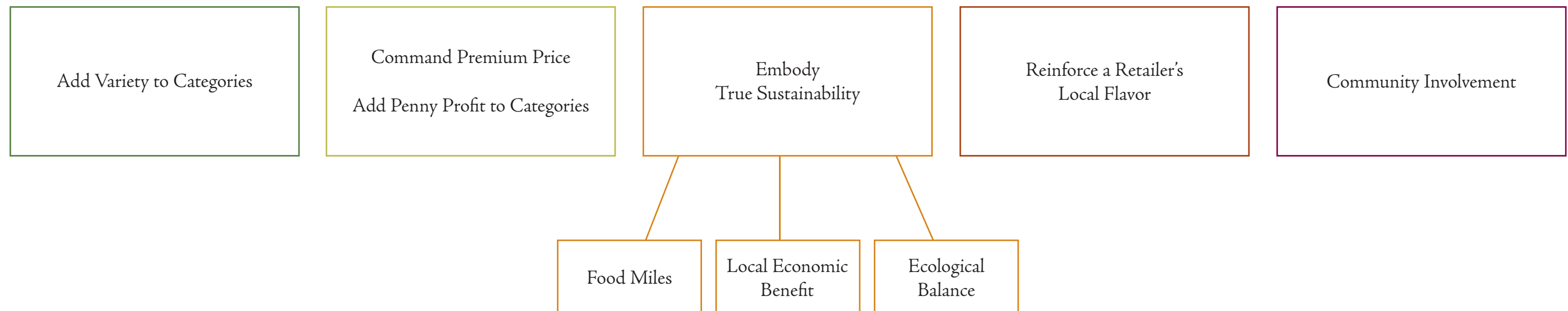
Reflect regional tastes  
narrow and deep  
Speak locally  
grass roots  
Create loyalty to brand and retailer  
unique local profiles  
Premium price  
Sustainability  
economic  
ecologic



# Opportunities

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## Regional Brand Benefit to Category

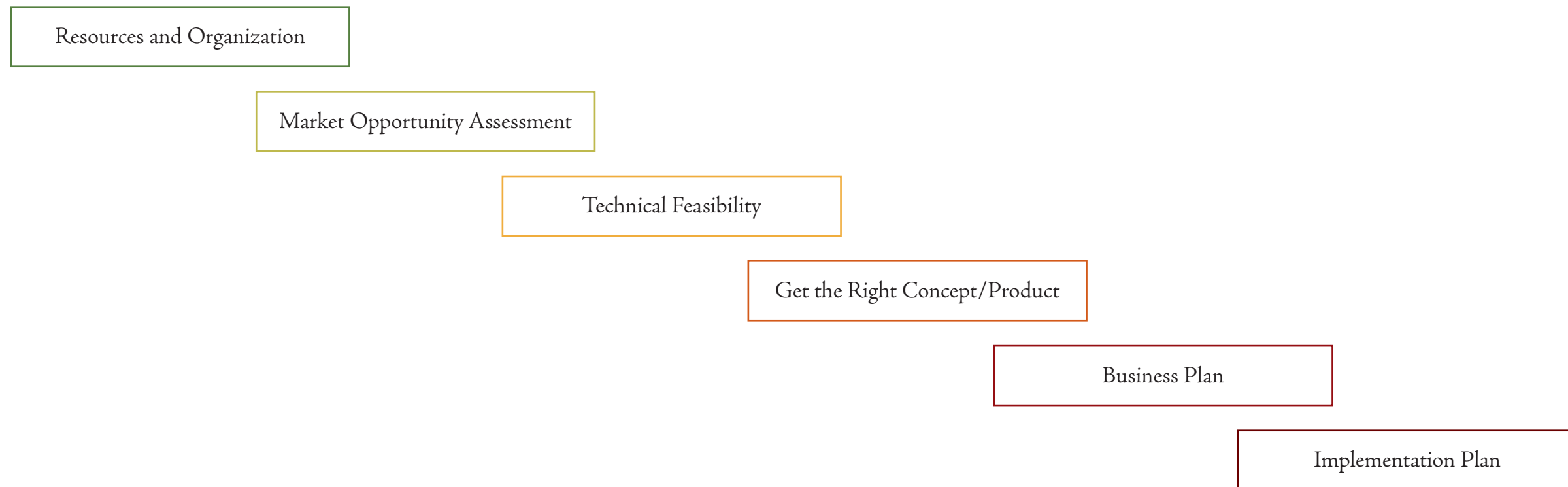




# Process

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## Generic Stagegate: Marketing plan





# Process

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## RBB Stagegate: Marketing plan overview

