



**Case Study of Marketing for SMANGO**  
**West Midlands Group (WMG)**  
**January 2018**

**Author: Carolina Brander, Agribusiness Development Manager, WMG**



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## Contents

1	Introduction .....	4
2	Context .....	4
2.1	Exporting .....	6
3	SMANGO .....	6
4	Australian Mango Industry Association (AMIA) .....	7
4.1	Management .....	7
5	Supermarkets .....	8
6	Second-grade fruit .....	9
7	Promotional Activities .....	9
8	Medicinal Properties .....	10
9	SWOT ANALYSIS (Strengths, Opportunities, Weakness, and Threats) .....	10
10	SMANGO Marketing Objectives, Strategies, and Activities (2018 – 2023) .....	11
	Appendix A .....	14
	Appendix B .....	15
11	References .....	16

## 1 Introduction

During last year's General Meeting (GM) of the Southern Mango Growers Group (SMANGO) requested to West Midlands Group through the Northern Valleys Agribusiness Project, which is founded by Royalties for Region, to conduct a Case Study of Marketing, based on their requirements to better understand what is happening once their mangoes reach the market. Price and profitability were the focus of that conversation.

This case study is based on the analysis of **interviews** with **mango growers** from Gingin, Dandaragan and Perth areas, members of the **marketing committee** of **SMANGO**, executives of the **Australian Mango Industry Association (AMIA)**, **experts**, **wholesalers**, **retailers**, and **consumers** (The questionnaire used is in Appendix 1. Interviewees are in Appendix 2).

In addition, we had access to a summary of **interviews conducted** by **SMANGO Marketing Committee** to **supermarkets** and the **Strategic Investment Plan** developed by **AMIA** and circulated to their members throughout Australia.

The **objective** of the current case study is to provide **SMANGO** with information and recommendations in the form of a **tailor-made Marketing Strategy**. The **plan** takes into consideration **AMIA's** Strategic Investment Plan 2017 – 2021, which contains industry perspectives and efforts, and where this sector is heading in the years to come.

## 2 Context

Mangoes are a quintessential part of the Australian summer; they taste like Christmas. A diverse food, mangoes are eaten as they come or turned into salads, pickles, chutneys, ice cream, juices, alcoholic beverages, and confectionary. The younger demographic (18 to 24 years) are more likely to eat mangoes in these other forms, such as smoothies and drinks.

As mango consumption rises, so too does mango production in Australia, with forecasting for the current year at 62,000 tonnes. AMIA is expecting more than 82,000 tonnes with an expected value of \$280 million by June 2022.

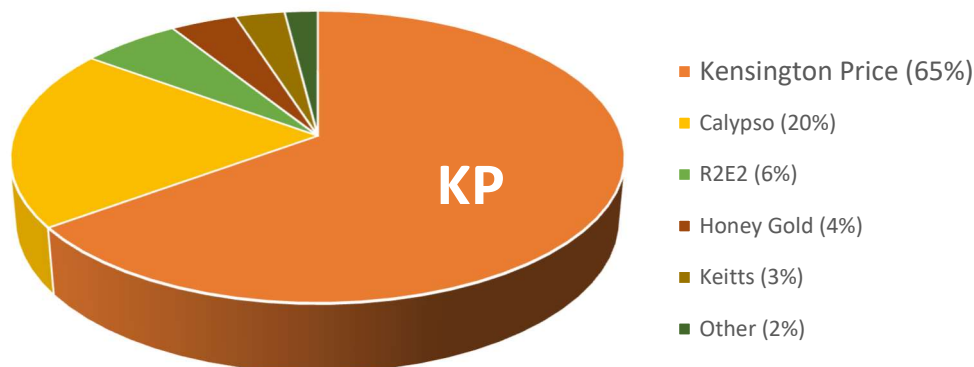
Recent research conducted by Sprout Research for Hort Innovation (2017) shows that:

- 76% of the Australian population are buying mangoes in comparison to 66% in 2014.
- Mangoes are bought on impulse. 82% of mango purchasing is made on impulse with quality and price remaining the main drivers of buying.
- Supermarkets are progressively where people prefer to purchase mangoes: 70% in 2017 vs 65% in 2014 vs 62% in 2011. Whereas buying from fruit stores has remained stable: 21% in 2017 vs 25% in 2011.
- Buying in locations other than supermarkets is determined by recommendations (family, friends, recipes and catalogues).



Image 1: Australia major mango production areas (AMIA, Mango Strategic Plan 2017 – 2021)

There are currently nine varieties of mangoes being produced in Australia for local and export markets, as shown in the pie graph below, the most popular variety being Kensington Price (KP), then Calypso™, and R2E2. Other varieties include Honey Gold™, Keitts, Palmer, Kent, Pearl, and Brooks.



**Other varieties:** Palmer, Kent, Pearl, and Brooks.

Worldwide, there are 90 country mango producers developing about 160 varieties. The top five producers are India, with the 42.2% of the global production (16,337,400 tonnes a year), China 11.2%, Thailand 6.5%, Pakistan 4.6% and Mexico 4.2%. The main varieties that are produced for export are Keitt, Kent and Tommy Atkins. On the other hand, the five top importing countries are the United States, Netherlands, Germany, United Kingdom and China. The key export markets for Australia are Hong Kong, New Zealand, Singapore and the United Arab Emirates.

When considering the international market, there is ample opportunity for organically and/or sustainably produced mangoes (Hort Innovation 2017). Additionally, mango based products such as puree have a high demand. Interestingly, the Netherlands although it doesn't produce mangoes themselves they produced over 46% of mango puree in the international market place.

## 2.1 Exporting

Over the last two years, AMIA has organised promotional activities focusing on Asian countries such as Hong Kong, Singapore, Korea and Japan. These promotions were held in the peak supply periods to create a strong relationship with retailers who were looking for potential new business and increasing their sales.

In addition, the Australian Mango Industry has been conducting a three-year exporting trial to the United States. It started with produce from Sunshine Coast and during October last year the Northern Territory was exporting to the American market.

## 3 SMANGO

SMANGO is a not-for-profit organisation which gathers 30 producers, primarily from the areas of Gingin and Dandaragan, where AgriFresh is the biggest producer (45ha). Most of the growers are over 60 years old and they manage small, intensive properties and hobby farms.

SMANGO production represents approximately 27.7% of Western Australian's mango production, with 600 tonnes (80,000 trays) in the current harvest (2018). This represents a substantial growth of 55% over the last 5 years (SMANGO 2017). Most of the mangoes are of the Kensington Pride variety. Other commercial varieties suitable for the area are Haden, Nam Doc Mai, R2E2 and Kent (DPIRD, 2017).

Mangoes of this region are the latest harvest in not only Western Australian growing season but also the only region in Australia that produces in April (see Table 1 and 2). This provides a great opportunity capturing the attention of mango lovers while challenging to produce in a Mediterranean climate weather as mangoes are more suitable for tropical weather (DPIRD, 2017).

State	% Total Prod 2015/16	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
New South Wales	1%										
Victoria	1%										
Queensland	50%										
Western Australia	3%										
Northern Territory	45%										
South Australia	Less 1%										

Table 1: Mango Production by state and month (AMIA, Mango Strategic Plan 2017 – 2021 and SMANGO)

WA Region	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Kununurra							
West Kimberley							
Carnarvon							
Geraldton							
Gingin						<b>SMANGO</b>	

Table 2: Seasonal supply of mangoes in Western Australia (DPIRD and SMANGO)

The producers of SMANGO have an advantageous proximity to the Perth market which is their first customer. In addition, the region has a solid road infrastructure and access to ports, such as Fremantle. This potentially could allow efficient access to Asia where AMIA is directing all efforts to penetrate their market with Australian mangoes.

Interviewing SMANGO members, it was found that some members were satisfied with their results, despite recognising that the colour of their mangoes are more washed out and greener. Nevertheless taste, texture, and juice are very good. They also highlighted that the weather makes it difficult to ensure that quality will be consistent every year. For example, the 2017 harvest was very low because the rainy season lasted until December 2016; therefore, the retail was not supplied as expected in volume or quality.

## 4 Australian Mango Industry Association (AMIA)

In recent years, AMIA has invested more than half a million dollars to develop strategies, technology, educational programs and expertise to improve the quality and profitability of Australian mangoes.

When this case study started (June 2017) communication between SMANGO and AMIA was scarce. During January 2018, Northern Valleys Agribusiness Project (NVAP) organised the first workshop with AMIA and SMANGO, with a focus on marketing and quality. After that, AMIA is in frequent communication with growers, and sent a Near Infrared (NIR) machinery to assist with measuring the maturity and dry matters percentages of the local mangoes. There is now a forecast of SMANGO production on their webpage and a weekly report.

NVAP and AMIA are organising a new workshop for December 2018.

### 4.1 Management

Growers in the region expressed that managing a mango farm is not easy. The fruit requires thorough management during its development (nutrients, water, fertilizers, pesticides), harvesting and storage processes.

When it came to value their produce, and placing a price on their fruit, many of the interviewees said they left it to the wholesalers.

Marketing channels used by mango producers in the region are varied. Some have the facilities to handle the ripening process and then sell directly to retailers such as fruit shops, general stores and to IGAs. There is also a group that sells its fruit through wholesalers.

Some mango producers explained that their wholesalers handle the ripening process. Occasionally, they have seen that during this process the fruit has developed imperfections, such as blemishes. They explained that pushing too much for the ideal colour during the ripening process can burn the fruit.

When supermarkets and wholesalers (who preferred to remain anonymous) were consulted, they maintained that the farm's management of the fruit was the main issue. For wholesalers and retailers, the development of the fruit is the most important. Harvest and rinse processes are crucial to avoid fruit's peel burns due to the sap, and they believe blemishes are common in mangoes of NVR.

Currently (February 2018) NVAP in collaboration with Perth NRM, are conducting a quality study lead by agricultural consultant, Neil Lantzke, with the involvement of six SMANGO growers. The study is tracking on-farm practices (using an NIR Machine to assess maturity before picking) and post-harvest processes such as packing and ripening with correct management of temperature, humidity and carbon dioxide removal. After the data analysis, a workshop will be held to discuss the study's outcome and future strategies.

## 5 Supermarkets

**SMANGO** representatives visited Coles and Woolworths supermarkets to understand their requirements.

Coles explained that consumers are accustomed to a certain style and size of fruit, and mangoes of NVR are less colourful. Regarding the size, consumers were attracted to larger fruit. Coles also highlighted the importance of having a harvest forecast from the group. In terms of standards, they have very specific canons for each line, however, they do not have standards for southern mangoes.

At the point of purchase, SMANGO does not promote their mangoes. There is abundant opportunity to sell the fruit promotionally as the last mangoes of the season.

Wholesalers were another element discussed. Coles prefers to work with a smaller number of wholesalers that have consistent ripening methods, facilities, and logistics.

On the other hand, Woolworths emphasised that quality is the main issue. It is paramount for the shelf life and to prevent stock loss. At this point they experienced some issues with mangoes at SMANGO's harvest time.

Woolworths has a unique specification for the southern late season mangoes where colour is important as well as the sweet flavour.

During their conversation, the supermarket assured it can move 5,000 trays a week (less than December period) and selling a bigger crop could be a challenge. This is especially relevant to late mangoes, because they compete with other fruits.

### On Season 2018

- **Coles could take 4,000 trays**
- **Woolworths could move 5,000 trays**
- **KPs are well received, R2E2 less favoured, however, its size and colour are attractive.**

The retailer has an “approved supplier” list that they deal with and which manages quality systems in place.

In relation to promotion activities, there are possibilities that need to be explored in conjunction with Woolworths.

## 6 Second-grade fruit

When growers were asked about what they do with their second-grade fruit, answers were diverse. From leaving samples out on their fence so neighbours can pick them up, to selling them to value-added companies such as juice factories, icy pole small businesses or processing food plants.

By selling their second or third-grade fruit, growers can cover some of their production expenses. Nevertheless, profitability is in the first grade or premium grade fruit.

WA value adding businesses expressed their support to local fruit and vegetables and to local farmers. Openly they expressed their preference for local products. Most of them belong to a farmer family, which is the case of Michael Brothers (Caversham, Swan Valley) who buy their mango locally during the season also other products to produce cold press juices and cider. On the other hand, even that Pure n Healthy (Fremantle) works with local producers they do not have mango in their recipes for considering an expensive product.

In addition, Jennie Franceschi, Managing Director of Fresh Produce Alliance (Manjimup, WA), which produces age care and baby food as well as juices with high-tech machinery, said that they are open to work with new projects from other regions which could mean an opportunity to SMANGO to develop their own value-added product.

One of the interviewees shared that for two years they bought mangoes from the region but unfortunately the last year's quality was poor and the price was double. For that reason, during the current season they are buying from other area.

## 7 Promotional Activities

Unlike the East Coast producers, who have had long term support from AMIA, **SMANGO** has not carried out promotional activities for example at the point of purchase.

During supermarket visits held by representatives of **SMANGO**, it was highlighted that there is opportunity for point of sale promotions that can be explored. Other smaller retailers were also interested in organising promotional activities with producers.

The Northern Valleys community currently organises the Bindoon Mango Festival to raise funds for the local school whilst also supporting local producers. It is here that there lies an opportunity for both Bindoon and the overall region to enhance this event as a tourist attraction. Mango producers would also have a greater exposure to the public and promotion of their fruit.

Just outside of Perth, the Perth Mango Farm opens their doors to public daily from 9 am to 5pm throughout the harvesting season. Visitors can pick mangoes for \$10 (adult) or buy them at the shed at 7.50/kg (24th February 2018). The farm attracts many people, especially during weekends, where families enjoy the whole experience (Facebook reviews) and come back every season. Brian Middleton

has owned the Perth Mango Farm for 35 years and has explored mango based value adding products with high demand from their target, however it has been not financial valuable.

Media presence at state and national level is scarce, with online presence not any better. With some exceptions, most producers do not have a website and do not use social media as a promotional channel.

## 8 Medicinal Properties

Studies have been conducted in various parts of the world investigating the benefits of mango to health. Its sweet taste contains more than 20 vitamins and minerals such as copper, calcium and iron. Their antioxidants are believed to filter out blue light rays protecting the eye from macular degeneration (Medical News Today).

Dr. Susanne Talcott of the Agriculture and Life Science of Texas A&M University published, last year, the early results from a study which links a positive effect on mild to moderate Inflammatory Bowel Disease with increased consumption of fresh mangoes. The same study also researched on mango polyphenol extract on colon, breast, lung, leukemia and prostate cancer tissue. Breast and colon cancers had the most effective responses.

## 9 SWOT ANALYSIS (Strengths, Opportunities, Weakness, and Threats)

### Strengths

- **SMANGO** (join collaborative initiative)
- Last mango of the season
- Proximity to Perth and services
- Healthy product
- Versatile (many uses)

### Weakness

- Consistent quality
- Volume
- Marketing
- Collaboration
- Communication with other growers
- Labour

### Opportunities

- Value adding
- Increase in demand for sustainable products
- New 2<sup>nd</sup> grade and organic market in Fremantle
- Technology (Forecasting)
- Collaboration & Cooperation
- AMIA
- Health benefits
- Support from the community
- Tourism

### Threats

- 9000 trays per week demanded by supermarkets (lack of volume)
- Price
- Other fruits on season (nectarines and stone fruit)
- Consumers do not know varieties and origins
- Climate change
- Pests
- Age of growers
- Hobby farmers

## 10 SMANGO Marketing Objectives, Strategies, and Activities (2018 – 2023)

The following objectives, strategies and activities have been developed as a recommendation for SMANGO and are based on the SWOT analysis which was established with information collected by personal and telephone interviews to 18 mango producers and industry members.

Objectives	Strategy	Activities
Generate SMANGO brand identity	Establish SMANGO as a collaboration platform defining objectives: branding, sales, marketing, quality standards and cooperation.	Workshop to define the scope of that collaboration and budget to cover responsibilities and activities.
		Implementation of the collaboration platform (work with experts/lawyers, mediators, and facilitators)
	Generate a branding strategy: be the icon of end of summer of WA	Workshop on branding with all SMANGO members. Define who is SMANGO (a brand must be supported by the community values)
		Generate a branding campaign (image launching). Be an active part of activities. <ul style="list-style-type: none"> <li>– Promotional material</li> <li>– Branded trays (location and variety)</li> <li>– Events (with community, chefs, and retailers) educating about SMANGO's mangoes (KP, R2E2 and colour)</li> </ul>
		Public relations: free press, influencers or celebrities as ambassadors
		Work in collaboration with AMIA. Be in frequent communication with the body. Ask for their recommendations.
		Work with your supporters: DPIRD, Perth NRM, West Midlands Group, independent experts and the shires of the NVR.
		Be an influencer in NVR: The last Australian mangoes of the season
Improve mango quality from the	Develop activities and knowledge which allow better processes and	Work with experts as SMANGO: check your practices and improve them. As a

farm to the point of purchase	outcomes from farm, packing, ripening and point of purchase.	group you have access to an expert because cost is distributed by the number of members.
		Develop industry workshops: price, management, quality, marketing.
		Invest in technology (e.g. drones for forecasting. Buy a SMANGO NIR machine)
		Educate harvesting team <ul style="list-style-type: none"> <li>– Develop material which can be distributed to the labour</li> <li>– Organise a half-day training workshop</li> </ul>
	Improve farmers relationship with wholesalers and retail (win-win relationship)	Work in conjunction with wholesalers in the ripening process. Know and analyse their premises and their ripening and sales processes, also their requirements.
		Organise at least 2 meetings with diverse retailers to understand what they need and establish mutual activities
Increase number of mango consumers	Improve SMANGO producer's presence at supermarkets and fruit shops.	Develop networking and marketing meetings with retailers (supermarkets). Identify buyers.
		Produce a strong point of purchase material/ Educational material about SMANGO mangoes.
		Organise promotions at the point of purchase.
		Mango growers at the POP interacting with public and customers.
		Generate Media campaign: free press, social media, advertising previously and during mango season <ul style="list-style-type: none"> <li>– Additional message: "We are your mangoes"</li> <li>– Highlight the benefit of mangoes for health (medical researchers)</li> </ul>
		Create promotional calendar events (G2C - growers & consumers)

	Increase the number of point of sales	Explore new opportunities: fresh markets, value-adding companies, second-grade markets
	Increase the number of trees	Develop trials with new varieties (considering soil and climate conditions)



## Appendix A

### Questionnaire for Mango Producers

#### Case Study

#### Marketing Southern Mango Growers Group

#### Questionnaire for Mango Producers

**Name:**

**Address:**

**Telephone:**

**Mobile:**

**Email:**

1. What is your mango's yield during the season?
2. How do you price your products?
3. What are the challenges in the supply chain for mango production?
4. What is your sales channel: directly to the retail, wholesalers, independent seller?
5. What are the main challenges in the mango production?
6. SWOT Analysis:
  - a. What are the strength of your mango production?
  - b. What are the weakness:
  - c. What are the opportunities:
  - d. What are the threats:
7. What do you do with your second and third grade mangoes?
8. Please give us your comments or information that you want to share in benefit of this case study.

## Appendix B

### Interviewees

Interviewees	
Tony Maddern	President of SMANGO and mango producer
Jill Wilson	Secretary of SMANGO and mango producer
John Reymond	Mango producer
David Morcombe	Board of Australian Mango Industry Association representing Southern WA, SA & Vic.
Graham McAlpine	Project Coordinator, Sustainable Agriculture Program, Perth NRM
Treena Walsh	Marketing Manager of the Australian Mango Industry Association Ltd
Samantha Frolov	Industry Development Manager of the Australian Mango Industry Association Ltd
John and Eve Morrissey	Mango producer
Colin and Helen Humphrey	Mango producer
Joseph Lin	CEO of AgriFresh
Daniel and Sarah Williams	Mango producers
Gary Inkster	Mango producer
Rob Taddei	Taddei Orchards, processor for mangoes
Jenny Mercer	Managing Director of WA Farm Direct
Neil Lanzke	Agricultural specialist
Peter Johnson	Agricultural specialist
Jennie Franceschi	Managing Director of Fresh Produce Alliance
Martin Michael	Director of Michael Brothers and Funk Cider
Deborah Marten	Fruit Fanatic (popsicles)
Rene Stapel	Founder and Owner of Pure and Healthy

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