PROMOTING NEPAL HERBS IN EUROPE


Based on the results of two workshops (Sep.26-28, 2018) and a final presentation (Oct.1, 2018) in Kathmandu, Nepal.

Presented as final version on: Nov.7, 2018

Presented to:
IPD, GIZ and Nepal Herbs

Presented by:
Jop Blom
Sustainability and Entrepreneurship Expert

León Trujillo
Territorial Branding and Marketing Expert
PROMOTING NEPAL HERBS IN EUROPE

Final Report:
A Marketing Strategy and an Action Plan to promote the Nepal Herbs Trademark to the European Market.

Based on the results of:
Market research, interviews, field visits, workshops (Sep. 26-28, 2018) and a final presentation (Oct. 1, 2018) in Kathmandu, Nepal

Presented to:
IPD, GIZ and Nepal Herbs Trademark Associations & other Stakeholders

Presented by:
Jop Blom
Sustainability and Entrepreneurship Expert
+57 3232084827
jop@rainbowcollection.nl
www.rainbowcollection.nl

León Trujillo
Territorial Branding And Marketing Expert
+57 315 862 8802
leon.trujillo@nationmark.co
www.nationmark.co
# TABLE OF CONTENTS

| A. | INTRODUCTION .......................................................... | Page 3 |
| B. | MARKET RESEARCH ......................................................... | 5 |
| C. | POSITIONING STRATEGY .................................................. | 11 |
| D. | MARKETING ACTIVATION .................................................. | 23 |
| E. | WAY FORWARD ............................................................ | 33 |
| F. | APPENDIXES .................................................................. | 49 |

# TABLE OF FIGURES

| 1 | Sectorial history as outlined during the workshop ........................................ | 11 |
| 2 | Bain & Co.'s Brand Values Pyramid .............................................................. | 14 |
| 3 | Selected Brand Values of the Bain & Co.'s Pyramid during the workshop .......... | 15 |
| 4 | Attributes and values matching supply with demand story ............................ | 16 |
| 5 | Storytelling Archetypes Innocent & Caregiver selected during the workshop ...... | 19 |
| 6 | Logo, website, give-aways and slogan 100% Nepali origin, naturally organic ...... | 24 |
| 7 | Stationary and merchandising .................................................................... | 24 |
| 8 | Brand strategy and marketing / communication Iceberg .................................. | 25 |
| 9 | Brand and marketing life cycles and target groups ...................................... | 26 |
| 10| Supply side and demand side customer journey and essential marketing kit ...... | 26 |
| 11| Nepal Herbs marketing touch points .......................................................... | 28 |
| 12| Most relevant international trade fairs as outlined during the workshop .......... | 31 |
| 13| Most relevant milestones in Nepal Herbs Trademark and towards activation ....... | 33 |
| 14| Value chain key players ............................................................................. | 35 |
| 15| Value chain B2B versus B2C marketing communication .................................... | 36 |
| 16| Potential markets & products based on demand, volume and price .................. | 37 |
| 17| Trademark Governance Set up as presented by the specialist experts ............. | 39 |
| 18| Brand Governance System for management and trademark use ........................ | 40 |
| 19| Brand Governance Functions and Responsibilities set up ................................ | 40 |
| 20| Overview sorts of Public, Private or blended funding .................................. | 44 |
| 21| Calendar & activities overview of marketing activation .................................. | 48 |
| 22| Trademark branding example at fair .......................................................... | 49 |
| 23| Trademark / company co-branding example at fair ....................................... | 49 |
| 24| The Marketing Strategy & Positioning Canvas from Workshop I ....................... | 50 |
| 25| The Marketing Action Plan Canvas from Workshop II ..................................... | 50 |
A. INTRODUCTION

Background: Nepal Trade Integration Strategy

Since 2014 within the framework of the “Nepal Trade Integration Strategy (NTIS)” the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Deutsche Import Promotion Desk (IPD) are supporting a model project promoting the export of Medicinal and Aromatic Plants (MAPs). In this GIZ is laying the foundations for better marketing opportunities for MAPs by, for instance, helping companies obtain organic certification and introducing joint brand or origin labelling. In addition, the IPD is preparing Nepali exporters for participation in international trade exhibitions and establishing contacts for them within the German and European import industry. Part of this intervention was the set up of the Nepal Herbs Trademark.

Nepal Herbs Trademark

Nepal Herbs is a collective Trademark created in 2015 with the object to authenticate Nepal's MAPs products and enhance product recognition. The collective Trademark will help to maintain common standards of Nepali herbal product while marketing these products in national and international markets.

Nepal Herbs Collective Trademark was developed in collaboration between the Herbal Entrepreneur Association of Nepal (HEAN), Jadibuti Association of Nepal (JABAN) and Nepal Herbs and Herbal Products Association (NEHHPA) through the IN-MAPs project of the government of Nepal, in alignment with the NTIS.

Objective of the Nepal Herbs Trademark as outlined in the Code of Conduct

1. To protect the high-standard quality of Nepali herbs and herbal products.
2. To support the development of competitive capability, by increasing the export, of Nepali herbs and herbal products industry and business.
3. To assure consumers and importers about the prescribed quality of Nepali herbs and herbal products.
4. To expand and develop the international market of herbs and herbal products.

Marketing Strategy & Action Plan

Since its inception Nepal Herbs developed their website, logo, brand book and Code of Conduct that outlines the framework, organisational set up and key aspects of the Trademark. With

---

1 As part of the Nepal Herbs initiative a Code of Conduct has been released to help guide the activities of the MAPs sector unified under one unified trademark.
support of the GIZ/IPD, 2 International Trademark Specialists were invited to Nepal from 25th of September until 1st of October to facilitate 2 workshops and a final presentation in order to:

Jointly develop a marketing strategy and an action plan to promote the “Nepal Herbs” Trademark, strengthening the sector and country’s brand positioning as an ideal supplier of MAP ingredients and products to increase access to European markets.

With the overall objective that this marketing strategy helps to promote Nepal Herbs on the European markets to strengthen the sector, increase exports and job creation in the sector and with that contribute to the socio-economic development of Nepal.

This document presents a summarized outcome of these two workshops, along with interviews performed to European buyers and Nepali exporters, market research and field visits. More information and the detailed presentations of the results of each workshops are available upon request. We thank all the participants of the workshops for their pro-active support and designing this strategy and action plan with us.

The Marketing Strategy consists of:

1. Market Research (including interviews)
2. Positioning Strategy
3. Marketing Activation
4. Way Forward Plan

Please find these four components reviewed in detail in the following pages.

This Marketing Strategy should guide the Trademark, represented by its Monitoring Committee and a prospective Trademark Manager to govern the brand and execute the promotion of Nepal Herbs on the European markets.

The Marketing Strategy should steer a uniform and clear communication of the Trademark for its members and stakeholders internally within the sector and externally in the European markets. Or as Simon Sinek calls it: “to think, act and communicate in the exact same way.”

---

B. MARKET RESEARCH

The starting point for our assignment, and in preparation for the workshops, was to conduct market research studies. A current portrayal of Nepal in terms of investment and business climate, reputation, awareness, infrastructure, tourism and infrastructure, among others, can be found in reports such as Bloom Consulting’s Country Brand Ranking Trade Edition. In the 2017-2018 edition of the ranking, Nepal is listed as 42 among 48 Asian countries. Hence, the initial status renders Nepal as a country with many challenges to increase its global business standing.

In this challenging scenario, we defined the ultimate priority to create awareness around Nepal Herbs as a preferred partner for MAPs sourcing into the European market. To get a better understanding and insights in the market, our team conducted a desk research and analysis of available information and conducted interviews with European buyers (actual and potential). The highlights of the research are presented in the next few pages.

Overall, the demand for spices, essential oils and other natural ingredients is growing. Herewith, some relevant facts and figures that help us to define and prioritize our markets:

Flavours, fragrances, natural cosmetics, essential oils

- Global sales of flavour & fragrance manufacturers increased by 5.5% annually to € 22 billion (2012-2016). Growing demand for natural cosmetics and natural flavourings is important driver.

- Global natural cosmetics sector is estimated to grow annually by 5% because of increased awareness of environmental and social issues becomes by (conscious) consumers.

- The global market for organic cosmetics is expected to grow by 8–10% annually from 2016 ($11 billion) to $ 22 billion in 2022. Europe takes 30–35% of the global organic market.

- Germany is the leading European market for natural cosmetics (9%) with a yearly average growth of ±10% to €1.1 Billion in 2016.

- The German flavour industry consists of ±50 companies with turnover € 340 million.

- Trade with Germany (Europe) for example in Nepali supplies of essential oils is still negligible, only 0.1% of the total German import value in 2016.

---

• German imports of Nepali essential oils increased ±10%, pa to € 79,000 / 2.1 tonnes in 2016.

• In 2016 Nepali exporters of MAP exported goods €1.2 million Euros to the EU, and is growing.

• With 23% of total EU production value, Germany is the 2nd largest producer of essential oils, increasing with ± 7.3% p.a. to € 85 million (2009-2013).

• The German aromatherapy market comprises 5-15% of the global essential oils market. Is growing because health insurance companies are increasingly paying for alternative therapies.

**Industrial seasoning, spices and herbs:**

• The global market for industrial seasonings, spices and herbs is forecasted to reach 2400 thousand tonnes in 2017

• The US is the largest market for processed spices and seasonings worldwide with Europe ranking second. Asia-Pacific is emerging as the fastest growing market for spices and seasonings.

• In 2014, total EU imports of spices and herbs amounted to 533 thousand tons with a value of €1.9 billion. The volume of imports grew by an average of 3.8% per year between 2010 and 2014 with the value of these imports increasing by 10% per year.

• The main importing countries in Europe are Germany, the UK, the Netherlands and Spain. These four countries were responsible for 280 thousand tons of imported herbs and spices.

• The value of the total trade in 2009 of organic herbs and spices was estimated close to 170 million euro, with Europe and North America accounting for 95% of this trade.

• Over the last three years the world market in organic herbs & spices trade has shown an annual growth of 15-17%.

• It is estimated that in 2012 around 60 thousand tons organic herbs and spices were produced globally with a value of 255 million euro.

**Key Market Trends**

Especially the natural production and the origin of Herbs from Nepal can benefit from some interesting market trends in Europe in so called conscious consuming and the demand for sustainability by the new Generation Z. Customers are demanding transparency as they take an increasing interest in the ethical practices of those they buy from. Increasing awareness around these issues has led to a rise in what is known as conscious consumption, a movement of people...
who seek out ways to make positive decisions about what to buy and look for a solution to the negative impact consumerism is having on our world. We herewith highlight the most important trends that are relevant to be aware of in our marketing and communication strategy.

1. **Natural ingredients**: The German market for food and cosmetics is increasingly propelled by the ‘natural’ trend, since the awareness of environmental and social issues becomes more central to consumer choice. As this is a growing trend, producers of food and cosmetics are increasingly looking for new natural ingredients to include in their products. Consequently, the global natural cosmetics sector is estimated to grow annually by 5%. The natural trend also stimulates German manufacturers of diverse products to use natural essential oils instead of synthetic substitutes. Some manufacturers even substitute synthetic products by natural products. For example, in the food industry, manufacturers aim for ‘clean labels’. These do not contain names of ingredients, which may be perceived as chemicals by consumers. Organic, Fairtrade and otherwise (certified) sustainable essential oils form a growing niche market in Germany. Until recently, there was virtually no market for organic certified essential oils,. European Union legislation allows the use of ingredients from conventional production if it constitutes less than 5% of the end-product and the organic certified equivalent is not commercially available. Only products listed in Annex of REC Reg. 889/2008 are allowed to be used.

2. **Ethical products**: A growing interest in ethically sourced products provides an opportunity for fair trade and organically certified essential oils. In addition, consumers are interested in the story behind ethical certification. In their marketing, German manufacturers actively communicate about the ingredients in their products, using the most compelling stories to improve the connection with the consumer. Communication takes place using images, with short stories about the product, production, origin, local benefits, and traditions, or using the producer’s corporate image.

3. **Aromatherapy with benefits**: Within the cosmetics market, there is a growing niche for cosmetics products with aromatherapy properties, which provides additional opportunities for essential oils. In the German aromatherapy market, cosmetics with essential oils are marketed as having additional benefits, such as restorative or relaxing qualities.

4. **Sustainable sourcing**: There is an increasing global demand for cosmetics (particularly China/East Asia) that can lead to scarcity. Ensuring the sustainability of supply is increasingly relevant to German buyers for 3 reasons:

   - Consumers are becoming more interested in the production of their purchases. They want to know that the production is sustainable for the people involved and for the environment.
   - Buyers themselves require stable supplies of strategic ingredients, while applying sustainability principles to secure those supplies.
   - Sustainable sourcing to avoid risk of a supply shortage in strategic ingredients (or
5. **The increasing need for sustainability is prompting German buyers to invest in stronger relationships with their suppliers**: German buyers have to respond to this trend by investing more resources in their existing trade relationships. They also search for new origins and possibilities for expansion in net-exporting countries such as Nepal. They are diversifying their sources to mitigate the risk of losing existing suppliers to other buyers who are competing for the same raw materials. They become particularly appreciative of suppliers who invest in sustainable supplies and a thorough understanding of their buyer’s interests. For example, they invest in training suppliers in sustainable management of natural resources. Moreover, exporters will have to make their supply chains more transparent by providing more information to buyers about their supply chain management and take more responsibility for the sustainability of raw material production. This can also result in opportunities in local added value involving decreased cost, cheap transport, and marketing opportunities. Increased direct sourcing also leads to traceability —marketing —efficiency—control of quality, price and quantity benefits.

6. **Reduced Price Sensitivity**: Until recently, many European buyers, particularly in Germany were extremely price sensitive and switched easily to cheaper suppliers. However, since the emergence of China and other developing countries as markets for essential oils, the market situation is changing radically. Former net-exporters of essential oils are turning into net-importers. The amount of essential oils available on the international market decreases. As such, Europe and the USA are no longer the only destinations for suppliers. Price increases are largely the result of increasing demand for essential oils from emerging markets such as China and increasing demand globally for natural products. Meanwhile, production remains stable and is sometimes even under pressure from other, more profitable crops. In the case of wild-collected raw materials, rising wages for collectors in several countries further add to price increases. Competition on price is particularly strong in markets for essential oils from conventional production systems. Organic markets are generally less competitive and offer more room for suppliers with relatively high costs. However, in markets for commodity oils such as Mentha Arvensis oil, competition in the organic segment is fierce as well and organic certification is not sufficient to avoid price competition.

7. **Safety**: Removing allergens from essential oils, while keeping them natural, offers opportunities for innovation and makes them “safer”. Consumers, cosmetic producers, and regulators in Germany are increasingly demanding safe products sourced in known, verifiable supply chains, demanding proof of safety of essential oils for fragrances.

8. **Meaningful marketing**: Moving marketing beyond the natural, as ingredients need to work (traditional health). There is a growing importance for (innovative) marketing stories incl. origin (Himalaya / traditional use / beauty rituals).

9. **Healthy living**: The growing interest in a Healthy Lifestyle leads to growing demand for
sustainably produced cosmetic ingredients and a convergence of health and cosmetic ingredients e.g. personal health, mental and physical well-being. Also reflecting in a convergence of food and cosmetic ingredients (super foods).

10. **Corporate Social Responsibilities**: CSR and traceability and fair labour and environment sound practices are becoming increasingly important. Growing market diversity and consolidation lead to companies with increased negotiating power (direct processing / broader product range / long term contracts / different end product ranges).

11. **Online, Convenience and Direct Trade**: Of course through the internet direct trade and transparency is highly increased and offers a wealth of information, direct trade and marketing opportunities. (Block chain / Alibaba / Hello Fresh).

12. **Niche brands vs Big brands**: Niche brands such as Officina Naturae and Cîme are trendsetters that are interesting for suppliers of innovative ingredients. They need lower volumes, which offers Nepali suppliers the opportunity to build up their export volumes. Big cosmetic brands such as L’Oreal and The Body Shop follow when scale & consistency in quality and quantity is reached.

**Market Validation Interviews with Some European Buyers**

In order to validate our market research we also interviewed some European Buyers that are already purchasing from Nepal or are interested to do so in the (near) future. Interviewees included an online retail spices brand, a company specialized in essential oils, a tea and spices wholesale and B2C Company as well as a trading company with offices in Nepal and Germany. The interviewed companies were relatively small, focusing on niche markets, responsible, natural & organic, Ayurveda and in favor of direct trade and they had visited Nepal. Herewith their key feedback and marketing insights.

The following insights ad recommendations are derived from the interviews:

1. **Awareness is key**: Currently Nepal is relatively unknown and they should promote variety, quality, quantity, natural production and uniqueness of Nepal.

2. **Direct trade**: Linking Nepal to EU and cutting out the Indian middle man will improve traceability and quality (nowadays de-standardized in India). Nepal should distinguish with its natural & organic cultivation (no pesticides) and CSR impact (development impact), as well as traceability, quality positioning and tax benefits in trade agreements.

3. **Naturally & certified quality**: Wild and organic cultivated, rich diversity and traditional farming since thousands of years and certification is often first selection criteria for buyers. Grow naturally and gradually.
4. **Get basics right:** Key indicators are in Quality / Quantity / Price / Logistics / Certification / Traceability / Business Professionalism / Trust / EU certified are key as starting point and scope (98% herbs not qualify). Gradually grow the sector and productions.

5. **Use Flagship products:** to pave the path and **build structural partnerships** with buyers in high quality essential oils and spices like ginger, turmeric, (Szechuan) pepper and possibly cinnamon, cardamom, coriander, soap nut and gradually grow to include other MAPs once the partnerships are evolving.

6. **Focus on front running companies** that are already exporting to Europe, have organic and other certifications, following GACP, meet EU quality standards and have already developed their supply chain. These front running companies can further develop the level of professionalism in the sector by gradually increasing international sales, by supporting with updating marketing essentials, certifications, trade fairs (Biofach) and improve business professionalism. These companies can develop the chain by developing the producers and improving quality all through the chain.

7. **Focus on niche players and mid-size buyers** with lower volumes to develop production (organic / natural ingredients in essential oils, food ingredients, aromatherapy, Ayurveda). Can we analyze, map and contact the 470 or more buyers that are currently in the IPD database and conduct a survey possibly followed by a selection and with matchmaking on Biofach and later even a possible trade mission.

8. **Structural partnerships with buyers** are essential to build up the partnership, start with first shipments and gradually increase volumes as well as add new product and possibly even invest in development of capacity.

9. **Trademark to set** quality standards, promote cooperation, create awareness and direct trade and improve the sector & infrastructure. Important to develop brand governance structure, roles & responsibilities, positioning and operational marketing and social media plan for market activation also by using the logo as dissemination for our message.

10. **GIZ/IPD is doing a great job** to increase and facilitate (direct) trade, partnerships & local value creation (complex and not competitive) and improve sector development with cooperation, know how, capacity building, technical assistance, advocacy and further market knowledge and provide access to markets and fairs.

Relevant marketing information and factsheets on MAPs are provided by the IPD and CBI websites.  

---

C. POSITIONING STRATEGY

Territorial brands are strategies to capitalize on the reputation of a sector on the prospective markets where potential partners, visitors, customers and consumers are found. For the purpose of outlining the Nepal Herbs Trademark for foreign markets, we used our tailor made Positioning Strategy Canvas during our first workshop on the 26th of September in Kathmandu. During the event over 35 representatives from the MAP sector worked together on developing our joint marketing strategy.

A marketing strategy is the process of developing, promoting, selling and distributing a product of service. Herewith a summary of the results, more details can be found in the presentation of the outcomes of the workshops as well as the final presentation as presented on the 1st of October.

History

![Figure 1: Sectorial history as outlined during the workshop](image_url)

In order to define one’s future, one should be aware of its past. The MAP sector already derives back to over 3000 years of traditional Ayurveda medicinal plant as food ingredients, health ingredients and medicinal purposes. Regional trade already started around 2000 years ago and since 200 years the first MAPs got documented. Three millennia accounts for the...
development of mastery and profound wisdom in the natural cultivation and usages of MAPs that should not be neglected and of which Nepali can be very proud.

The sector has also faced its downsides and challenges due to lack of organization, quality, natural disasters like earthquakes, political instability and the dependence on the Indian actors that prevented the sector to develop a modern and adequate infrastructure.

Notwithstanding, it has been two years since the associations came in place to serve and represent the sector and with support of the GIZ/IPD, articulated under the development of the Nepal Herbs to further promote and grow the sector. Everyone is convinced of the added value that the Trademark can realize for not only the sector but also the individual members and companies.

Marketing Vision

In 5 years time the Nepal Herbs Trademark will be well known inter- and nationally for the supply of high quality organic MAPs.

We naturally grow the sector to become an important contributor to the sustainable socio-economic development of Nepal.

We set the norm for a fair, organic and sustainable industry to contribute to good human & ecological health and karma in the world.

Smart Goals To Realise This Vision

Together with the sector we set some smart goals to realise this vision. These goals can act as a guideline as well as indicators for success, for the representatives and executives of the Trademark to define their priorities and project management focus.

- **Start:** Set up an independent identity and organisation for Nepal Herbs that sets the quality standards, criteria to use and code of conduct for the sector and all companies using the Trademark are working with sustainable sourcing and long term supply.

- **Within 3 years:** Registration and promotion of Trademark internationally (fairs) to become known as a supplier of high quality organic spices, herbs and essential oils for the food, aromatherapy, cosmetics and later even pharmaceutical and medicinal markets in Europe and US. Increasing our exports and species annually.

- **Within 5 years:** We have 60% quality improvement. Our brand is established in over 15 countries with over 25 companies using our logo on their products and communication on
in total 25% of all Nepali herbs products. With a minimum of 10 tons essential oils and 20 tons dry spices.

- **Within 10 years**: We have tripled the export volumes and became an important sector contributing to local value creation, foreign currency earning, (rural) job creation and income generation for the sustainable socio-economic development to the Nepal economy.

- **Within 20 years** (and hopefully sooner): We consolidated the market and we are able to export final products to the EU.

**Audiences**

Our primary audiences (those identified targets we want to do business with) have been identified as follows:

<table>
<thead>
<tr>
<th>Primary Audiences</th>
<th>Secondary Audiences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand Side:</strong></td>
<td><strong>Demand Side:</strong></td>
</tr>
<tr>
<td>B2B Importers / Traders / manufacturers / wholesale</td>
<td>B2B Importers / Traders / manufacturers / wholesale</td>
</tr>
<tr>
<td>European (via Germany)</td>
<td>European (via Germany)</td>
</tr>
<tr>
<td><strong>Supply Side:</strong></td>
<td><strong>Supply Side:</strong></td>
</tr>
<tr>
<td>Farmers / Collectors (capacity building)</td>
<td>Farmers / Collectors (capacity building)</td>
</tr>
<tr>
<td>(under contract production system)</td>
<td>(under contract production system)</td>
</tr>
<tr>
<td>Cooperatives (CFVG)</td>
<td>Cooperatives (CFVG)</td>
</tr>
<tr>
<td><strong>Others:</strong></td>
<td><strong>Others:</strong></td>
</tr>
<tr>
<td>District Forest Office</td>
<td>District Forest Office</td>
</tr>
</tbody>
</table>

**Competition and Benchmark**

Of the entire MAP producing countries, the main competitor and possibly benchmark can be India, as it has also been our main trading partner / country so far. However, we at this stage we do not really have to compare with India as this is a completely different league and this is also the country that we aim to exclude from our value chain by developing direct trade with European buyers. Next to that we can distinguish by focusing on quality instead of quantity as well as naturally organic production.

Other relevant producers depend by the products/ingredients of course are China, Vietnam, Indonesia, Sri Lanka, Nigeria, Peru and other tropical countries at hemisphere with similar conditions. Some essential oils and spices are also produced in Europe itself.

**Our Attributes and Values**
Facing competition, and in order to delineate our value proposition we have to define our unique attributes and values that set us apart from our competitors. And it is important to make sure our offering meets the specific expectations of the demand site. We divided our attributes and brand values amongst others according to Bain & Co.’s Brand Values Pyramid\(^5\) into functional, emotional, life changing and a higher purpose.

![Bain & Co.’s Brand Values Pyramid](image)

In this it can be said that the functional benefits are often similar with other countries and covering the basic needs such as product benefits, quality, price /business, variety, connects and, for example, certification. This represents already 50% of the company’s interest. The other 40% is covered by the emotional needs and differences such as the emotional feeling of a healthy living, relaxation, spirituality, wellness, therapeutic value, natural ingredients and comfort. It can even be life changing by it’s heritage of traditional Ayurveda farming, the hope that it gives for a better future and the sense of belonging and affiliation to be part of this (spiritual / healthy movement).

Above all the overarching purpose of the self-transcendence and that with the purchase of this product or ingredients we somehow contribute to a better world for example by contributing to the environment, traditional farming and income generation so that people can build a better

future. The Value Pyramid once implemented to the Nepal Herbs Trademark gives us the following result:

![Value Pyramid Diagram](image)

**Figure 3: Selected Brand Values of the Bain & Co.’s Pyramid during the workshop**

When matching the identified trademark values with what the demand side is looking for, 6 paradigmatic principles stand out: **Purity, Diversity, Natural, Sustainability, Quality** and **Reliability**.

The next figure shows the brand values’ common ground that results when the supply side meets the demand side.
Paradigmatic Brand Principles

Figure 4: Attributes and values matching supply with demand story

- **Purity:** Is about the wholesomeness of the country, its spirit and its traditional farming and addressing wild collection practices.

- **Diversity:** The immense variety of over 1600 plants that grow from the lowlands up into the mountains.

- **Natural:** Is the environmental way of farming without using pesticides as well as organic growth (of the sector).

- **Sustainability:** Growing our products with immense respect for the environment, biodiversity and human rights.

- **Quality:** Focus on quality instead of quantity is essential for a valuable brand, reputation and premium ingredients.

- **Reliability:** Unlike some competitors Nepali business people are reliable and our ingredients will be traceable.
**Value Proposition**

Our unique value proposition is our kind of Elevator Pitch, describing the essence and uniqueness of our sector and Trademark. It expresses where we stand for and our unique offering to the world in just a few sentences. This is the key message to immediately convince potential buyers when you first meet him.

**Nepal Herbs** offers certified spices and essential oils from Nepal to conscious importers of food, cosmetic, aromatherapy and pharmaceutical ingredients in Europe who want to procure and promote a large variety of unique, high-quality, organic and safe ingredients from reliable exporters.

**Nepal Herbs** is sourced from developed traceable supply chains that contribute to the lives of environmental-friendly smallholder farmers and wild collectors that work from the lowlands to the most remote slopes in the Himalayan mountain range.

Unlike spices and essential oils sourced from other countries in the world, **Nepal Herbs** prioritizes quality above quantity and offers over 3000 years of experience in traditional (Ayurveda), socially & environmentally responsible and adulteration free farming.

**On Storytelling**

Now that we have defined our brand values and our unique value proposition it is important to traduce it to and to share it through marketable story. A good script always needs a character and a plot. As we explained all companies, products and brand use this combination of archetypes and plots in their communication and branding strategy e.g. Red Bull chooses for Hero’s “To prove one’s worth with courageous and difficult action” and tell a story of transformation a “changing state or status” when one drinks a Red Bull and is capable to achieve a dream or outstanding sport results.

**Characters**

Choosing a character helps us to distinguish ourselves in the market and in developing a uniform and lively brand with a consistency in behaviour, emotion and story to tell and for our audiences to identify with. Characters are represented by Archetypes. Archetypes are primitive mental images inherited from the earliest human ancestors, and supposed to be present in the collective unconscious of any culture. According to Carl Gustav Jung there are “within the collective unconscious a number of archetypes which we can all recognise and identify with”. 6

---

6 [https://www.psychologistworld.com/cognitive/carl-jung-analytical-psychology](https://www.psychologistworld.com/cognitive/carl-jung-analytical-psychology)
There are 12 types of archetypes as depicted below, each one with a particular purpose.\(^7\)

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creator</td>
<td>To create something of enduring value</td>
</tr>
<tr>
<td>Caregiver</td>
<td>To protect people from harm</td>
</tr>
<tr>
<td>Ruler</td>
<td>To control</td>
</tr>
<tr>
<td>Joker</td>
<td>To live in the moment with full enjoyment</td>
</tr>
<tr>
<td>Everyman</td>
<td>To form a connection with others</td>
</tr>
<tr>
<td>Lover</td>
<td>To attain intimacy or sensual pleasure</td>
</tr>
<tr>
<td>Hero</td>
<td>To prove one’s worth with courageous and difficult action</td>
</tr>
<tr>
<td>Outlaw</td>
<td>To start a revolution or seek revenge</td>
</tr>
<tr>
<td>Magician</td>
<td>To have the knowledge of how the world works</td>
</tr>
<tr>
<td>Innocent</td>
<td>To experience paradise</td>
</tr>
<tr>
<td>Explorer</td>
<td>To exploring the world with freedom</td>
</tr>
<tr>
<td>Wise man / woman</td>
<td>To discover the truth</td>
</tr>
</tbody>
</table>

The culture of Nepal, personalized through the MAP industries can provide us with cues on how to represent the trademark in the markets. During the workshop we identified most with the Innocent and The Caregiver.

We can use The Innocent character facing the supply side by having the ambition to “do things right, be trustworthy, positive and straightforward”. The character of The Caregiver can be used in turn in our positioning, attitude and way of working towards our international clients as it represents to “do things for others, service, focus attention on other people, not yourself”. In order words complete dedication to deliver the best and most reliable services and quality as possible.

<table>
<thead>
<tr>
<th>The Innocent Archetype</th>
<th>The Caregiver Archetype</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal:</strong> To be happy (happiness), to keep life pure and simple</td>
<td><strong>Goal:</strong> To help others</td>
</tr>
<tr>
<td><strong>Greatest fear:</strong> Doing something wrong</td>
<td><strong>Greatest fear:</strong> Selfishness and ingratitude</td>
</tr>
<tr>
<td><strong>Weakness:</strong> Simplistic view of the world</td>
<td><strong>Weakness:</strong> Martyrdom and being exploited</td>
</tr>
</tbody>
</table>

---

\(^7\) There is abundant literature on brand archetype theory which can be found on the web. For a sample explanation please visit: [http://www.visualcapitalist.com/12-brand-archetypes-marketers-use/](http://www.visualcapitalist.com/12-brand-archetypes-marketers-use/)
When articulating both archetypes to the supply side and the demand side, the following solution can be considered.

**STORYTELLING ARCHETYPES**

We can use our two archetypes differently for our 2 main audiences. The innocent for our supply side, The Caregiver for our demand side.

**INNOCENT**

**Strategy:** Do things right, be trustworthy, positive and straightforward

**SUPPLY SIDE:**
- Farmers / Collectors (capacity building) / (under contract production system) / Cooperatives (CFUG) / Certification Agencies / (International) NGOs (GIZ) / Value chain: middle man / agents / packaging / logistics / testing / R&D / District Forest Office / Government (Trade / Forestry / Economy) / Media Press / Academia / Press

**DEMAND SIDE:**
- B2B Importers / Traders / manufacturers / wholesale / European (via Germany) / Trade Fairs (IPD) / Industry associations in EU / Nepalese representation abroad (Embassies, consulates) / Niche markets / Boutiques / Wellness / Retail (offline and online) / Tourists / (B2C) / Hotels

**Figure 5: Storytelling Archetypes Innocent & Caregiver selected during the workshop**

**Plot**

Alongside archetype theory to represent brand characterization, we used deep metaphors as another tool to define the story (or plot) of Nepal Herbs. Gerald and Lindsay Zaltman have been researching on consumer psychology for years and are well renowned as academic authorities when it comes to understanding the customers. They have identified deep metaphors as “basic
frames or orientations we have toward the world around us. They are “deep” because they are largely unconscious and universal. They are “metaphors” because they recast everything we think about, hear, say, and do. Because deep metaphors shape the way we engage the world, an understanding of them is necessary to explain why we think and act as we do.” The 7 deep metaphors are:

<table>
<thead>
<tr>
<th>Deep metaphors</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Harmony, equilibrium, adjustment and the maintenance and offsetting of forces.</td>
</tr>
<tr>
<td>Transformation</td>
<td>Changing state or status. Can be both positive or negative.</td>
</tr>
<tr>
<td>Journey</td>
<td>Travelling, experiencing failing and recovering.</td>
</tr>
<tr>
<td>Container</td>
<td>Keeping things in or keeping them out, becoming a form of protection.</td>
</tr>
<tr>
<td>Connection</td>
<td>Uniting, dividing coming closer, being part of.</td>
</tr>
<tr>
<td>Resource</td>
<td>Access to food, water, money and fuel, resources may also be our friends or family members.</td>
</tr>
<tr>
<td>Control</td>
<td>Having power, authority, order, vision or losing it.</td>
</tr>
</tbody>
</table>

Now that we have our archetype character what is the story we want to tell? During the workshop we selected the story of Balance. Because it perfectly matches the story of Nepal as it represents “Harmony, equilibrium, adjustment and the maintenance and offsetting of forces.”

**Key Takeaways from the Positioning Strategy**

The following conclusions and recommendations apply to the positioning strategy.

1. Nepal Herbs Trademark to set quality standards, promote cooperation, create awareness and direct trade and improve the sector & infrastructure. Important to develop brand governance structure, roles & responsibilities, positioning and operational marketing and social media plan for market activation also by using the logo as dissemination for our message.

2. Essential to first get the basic rights. Key indicators are in Quality / Quantity / Price / Logistics / Certification / Traceability / Business Professionalism / Trust / EU certified are key as starting point and scope (98% herbs not qualify). Gradually grow the sector and productions.

---

8 [https://coolerinsights.com/2012/01/marketing-metaphoria-book-review/]
3. Focus and distinguish on Naturally Organic and set the norm for a fair & sustainable industry.

4. Nepal Herbs can distinguish in the market by always emphasising its unique brand values purity, diversity, natural, sustainability, quality and reliability in its communication of the Trademark.

5. Unique value proposition is to focus on high quality, organic, natural, Ayurveda, Wild, traceable ingredients that are sourced from the lowlands to the Himalayas and have a positive impact on the sustainable socio-economic development of its farmers, collectors and Nepal to larger extent.

6. European market trends in sustainability and conscious consuming as well as foreseen scarcity on global markets boost the demand for natural, organic and traceable ingredients favours direct trade (and thus higher values) from Nepal.

7. First priority is to create awareness on Nepal Herbs as a sourcing country for MAPs.

8. Key competitor is India that we however aim to surpass in the value chain by trading directly with European buyers (with tax benefits). Nepal Herbs to focus on Quality instead of Quantity, with small volumes develop the infrastructure for the sector and gradually grow volumes and further professionalize the sector.

9. Primary audiences are the internal suppliers as well as medium sized and niche B2B buyers in the EU (Germany). After testing phase and when successful we can increase volumes, products and build structural direct trade partnerships that could also invest in development of capacity and sector infrastructure.

10. Primary growth markets are in food (spices & herbs) as well as essential oils for cosmetics & aromatherapy and market studies show that markets for natural ingredients are growing in general.

11. GIZ/IPD is providing essential support to increase and facilitate (direct) trade, partnerships & local value creation (complex and not competitive) and improve sector development with cooperation, know how, capacity building, technical assistance, advocacy and further market knowledge and provide access to markets and fairs.

12. Selected front running Nepali exporters in IPD / GIZ support program can act as role models and catalysers for the internal sector development and act as international brand ambassadors pave the path for the European trade.

13. With Nepal Herbs we can contribute to global human & ecological health and karma.
What Really Differentiates Us From The Rest - फरक पानुहोस

We have set our unique brand values and we developed our innocent & caregiver archetype and story of balance we want to share with the internal and external world. We have to combine this in a unique positioning and elements that really distinguishes us from the rest, especially Indian. This is important because we have to be clever and also creative because our marketing resources will be limited. Just like Steve Jobs we have to challenge the status quo and Think Different. 9

Luckily Nepal has always been thinking outside the box. For example, own calendar, own Nepali language and writing, only asymmetric national flag and a GMT with time difference of 45 min. in comparison to the rest of the world. Herewith some final positioning remarks that should be incorporated in all kinds of communication (video, brochure, social media, website) as a sum up of how we differentiate from the rest. This is our story that we wish to share with the world.

**Differentiating Insights**

<table>
<thead>
<tr>
<th>Wild Collection</th>
<th>Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlike other countries, wild collection is unique to Nepal. This fact empowers the all-natural, adulteration free, organic arguments that support the brand promise.</td>
<td>Few countries, if not none, have Nepal’s wide variety of the portfolio of 1600+ products.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nepal is a Herbs Haven</th>
<th>Naturally Organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to topographic isolation the country has managed to preserve its herbs and spices free from diseases and contamination.</td>
<td>Nepal’s products are predominantly organic, unpolluted, true gifts from nature.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Place as a Strong Differentiator</th>
<th>Tradition and Mastery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal Herbs branding power derives from the country as a unique place identified by its highlands. The purity of products complements the brand’s narrative. The producer as a branding argument comes in last.</td>
<td>More than 3000 years of history back-up the herbs, spices and essential oils from Nepal. The expertise gathered offers a one of a kind value. Master hands that have perfectioned production over generations.</td>
</tr>
</tbody>
</table>

9 [https://www.youtube.com/watch?v=x7qPAY9JqE4](https://www.youtube.com/watch?v=x7qPAY9JqE4)
D. MARKETING ACTIVATION

Branding and certain communication materials have already been developed in support of the Nepal Herbs Trademark. In the second workshop, the 28th of September, we started to translate these accomplishments into a concrete market activation plan. Herewith initial considerations for the marketing activation, a summary of the outcome of Workshop 2 and some kickstarting activation ideas.

Logo and Brand Guideline

The logo and brand guideline are already in place and very well chosen. Like we discussed in our workshop in our branding the origin Nepal and the product Herbs are key in positioning and sharing our story: This is also visualised by the words as well as mountain and green leaf in the logo. Also #NepalHerbs is a perfect hash tag for online sharing. The good thing is that just like Colombia for example is claiming Coffee, Nepal could still claim Nepal Herbs as it’s positioning in the world.

- Nepal represents the origin with its mountains, culture, spirituality and natural traditional farming.
- Herbs reflect the diversity and availability of over 1600 MAPs and its specific food ingredients as well as healthy/medicinal /cosmetic benefits that have been tested and proven for over 3000 years.

The brand guideline was published in June 2015. The guidelines clearly explain the use of the new brand style and to reinforce consistent application of the visual elements in all communications. This includes publications, presentations, and all other marketing materials both online and offline. Guidelines on the use of the logo are included. It provides a very clear outline on how the logo can be placed on packaging, t-shirts, caps, stationary and the business cards are already designed and ready to print.

The primary typeface for logo is Squire (regular). The secondary typeface for Tagline / Subheadings is Avenir Next LT Pro (Demi) and for content is Avenir Next LT Pro (regular). These have been carefully selected to best represent the brand image, and must be used to retain consistency - especially within the logo. In order to be very consistent we therefore have also written this document using the Avenir Next LT Pro (regular) font. It is essential to also choose this font for example in all other emails, documents, presentations and even invoices etc.

Pending: the Trademark is awaiting a full clearance in intellectual property matters and approval by the Nepali Government to start using the logo. This is expected before the end of 2018.
Website and Social Media

Good thing is that the website and social media channels are already in place. The website looks very professionally and also holds the powerful statement of 100% Nepali Origin, Naturally Organic with a great background picture of the Himalaya mountain range. Maybe the mission and vision page could be updated with the results as founded in this document. Social Media channels are already in place however not yet active and they need dedicated attention (preferably by the Trademark manager).

Figure 6: Logo, website, give-aways and slogan 100% Nepali origin, naturally organic.

Figure 7: Stationary and merchandising.
Now that we have our logo and website this is only the top of the iceberg

Some people believe that by designing the brand logo and website they are ready. However this is only the beginning as we expressed during the workshop this is only the top of the Iceberg. Now the real work begins. We have to set and follow the strategy and position like we outlined in the previous chapter. Because our Trademark does not take care of itself, it requires your active care, management and follow up. We have to get the basics of the industry in place by working on the quality, certification, developing the right professional business attitude and infrastructure.

![Figure 8: Brand strategy and marketing / communication Iceberg.](image)

We have to develop our **marketing kit and activate our brand and Trademark**. Let us define our key allies, map the most relevant fairs and share some other ideas to activate our brand, among others. Let us also remember that the brand doesn’t belong to its legal owners; it belongs to the audiences that have a perception on its products and services.

**Where do we stand on the marketing cycles?**

With our brand we are still very much in the awareness phase. We first have to make our Trademark visible amongst the **internal sector such as farmers, collectors** and value chain as well as with a focus on the buyers in Europe. For this it is essential to have our **basic marketing kit, website and product catalogue in place**. When they are aware we can familiarize for example by trade fair visiting or hosting a buyer(s) mission to surprise them with all that Nepal has to offer.
Figure 9: Brand and marketing life cycles and target groups

The Supply Side Journey vs. the Demand Side Journey

Figure 10: Supply side and demand side customer journey and essential marketing kit
When trust is built and there is a good chemistry and fit, our clients can consider receiving and testing some first examples. When the test results are fine they can start purchasing the first smaller volumes. When we delivered on time, with the high quality products and the operation went smoothly there is room to grow the partnership and build loyalty for Nepal Herbs, with our clients and even their consumers.

**Allies and Partners – Our Most Important Cohorts to Create Awareness & Increase Exports**

During the workshop we made an invitation of the most important allies and partners to engage with in order to promote Access to the European market. Key partners are at first the members and affiliated farmers and collectors of the Trademark associations NEHHPA, JABAN and HEAN who all have to recognize the value of the Trademark for the long term development of the sector. For this we also have to align with the most relevant Nepal Government bodies for the sector and international trade.

<table>
<thead>
<tr>
<th>Allies</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NEHHPA, JABAN, HEAN, members and stakeholders (Baidya/Amchi)</td>
<td>• <strong>Strategic alliances:</strong> Quarantine, DPR, GIZ/IPD, Nepali Embassies</td>
</tr>
<tr>
<td>• Cooperatives / farmers / collectors</td>
<td>• <strong>Enabling environment:</strong> Insurance / financial sector (banks) /investors</td>
</tr>
<tr>
<td>• Our clients in Europe</td>
<td>• <strong>Value chain:</strong> Cargo, Warehousing, Logistics, Laboratories / testing</td>
</tr>
<tr>
<td>• FNCCI, TEPC, CFUG, NLC</td>
<td>• <strong>Support organizations:</strong> Agro Tourism Based Organizations, Tourism / mountaineering, biological/botanical experts</td>
</tr>
<tr>
<td>• Certification agencies / monitoring agencies</td>
<td>• <strong>Influencers:</strong> (Social) Media, role model entrepreneurs, celebs</td>
</tr>
<tr>
<td>• International Industry Associations of MAPs, spices, essential oils in Europe</td>
<td>• <strong>Development agencies and programs:</strong> NGOs, CBOs</td>
</tr>
<tr>
<td>• Government of Nepal for trade promotion and commerce</td>
<td>• <strong>Sales channels:</strong> e-commerce like Alibaba / organic-bio.com, clients using our logo</td>
</tr>
<tr>
<td></td>
<td>• <strong>Others:</strong> Researches / academic</td>
</tr>
</tbody>
</table>
For the international trade we focus of course on wholesalers / importer / buyers and for them it is important to have our (organic) certification in place, so certification agencies are also a very important partners. Allies are on one hand the internal allies to develop the value chain and create an enabling environment. As well as allies to increase exports amongst others IPD and also a relevant role can be played by our diplomatic representatives abroad to next to tourism also start promoting MAPs. Another interesting angle for direct trade consist of e-commerce platforms like the Alibaba portal\textsuperscript{10} and the Bio-Organic Directory\textsuperscript{11}. These examples can be further completed by desk research on the members of European Industry Associations, fair exhibitors and participants as well as the available contacts within IPD.

**Marketing Tools & Instruments**

The marketing touch points include the standard items such as websites, presentations, social media, PR, fair participation, buyers missions, direct mailings and including the logo on all stationary. Priority (budget vs effect) in this phase should be given to use the logo in:

1. All Trademark corporate communication with marketing kit, merchandising items, stationary, samples and social media
2. Visibility in the value chain and shirts and caps for all farmers and collectors to connect them with the world
3. Advertising in specialised magazines (including PR) as well as banners on embassies & airports
4. On products of selected exporting producers that meet quality standards
5. On events and trade fairs to promote our brand amongst most direct and relevant audiences.

*Figure 10: Nepal Herbs marketing touch points*

\textsuperscript{10} https://www.alibaba.com
\textsuperscript{11} https://www.organic-bio.com/en/directory/
Creative Scenarios

First step is of course to get our house in order and have all Trademark corporate communication with marketing kit, stationary, samples and become active on social media. Following the above mentioned interventions and taking current limited resources & capacity in place we already want to highlight some cost effective marketing activities to increase awareness and exports.

1. **Visibility in value chain and caps and shirts for the farmers and collectors:** Making our logo visible in the value chain (warehouses/ on trucks) and equipping our thousands of farmers with decent shirts and caps with our logo will immensely increase visibility and moreover proud for the sector. It will give our most important stakeholders a sense of proud and belonging to the bigger picture by connecting them with the rest of the world. It will also improve the image of professionalism of the sector when buyers will visit the farms or we share our pictures with our own websites and other marketing collateral.

2. **Targeted visibility on the most relevant and specialized magazines:** Making sure we are visible in the most relevant magazines by advertisements as well as (free) publicity. Not only in the printed magazines as well as online blogs, websites and social media.

3. **2 Million tourist become Nepal Herbs Ambassadors:** As mentioned “Nepal is so much more than mountains and hiking”. We have over 1600 of MAPs to offer to better health and karma in the world. In 2017 almost 1 million tourist visited Nepal a number that is expected to grow to 2 million by 2020. We have to get Nepal Herbs top of mind and turn them into our brand ambassadors. We have to do a customer journey to define their touch points. This starts with Nepal Herbs banners on all of our airports, banners in hotels and hostels, city maps and touristic highlights. But moreover assure that they are able to buy our products and take them home as touris gifts. This includes pop up stores / racks with Nepal Herbs products such as combined package of spices, aromatherapy essential oils, herbal soaps, toiletry and fragrances as well as beauty products. Good thing is that in our own country we can sell end products, as we do not have to obey to the strict European and US certification criteria’s.

4. **Participation and Trademark launching events on most relevant trade fairs:** On the most important trade fairs we should not be waiting for potential buyers to visit our stands. We have to actively invite them to become part of our journey and make them aware of all we have to offer to the world. **We can do so by officially launching our Trademark and Unique Value Proposition at our stand.** This gives us the opportunity to invite all relevant buyers and stakeholders with an invitation that is already sharing the essence of our marketing story. Possibly supported by advertisement in the tradefair magazine, blog, website, goody bag. The Nepali ambassadors can officially launch the Trademark and we can present our Trademark strategy and unique proposition as well as flagship products and producers. Subsequently a video and blog of the launch can be shared by all social media can be easily
activated using the #NepalHerbs hashtag.

5. **Top of mind in international export promotion including embassies**: have to start our government lobby to position Nepal Herbs next to tourism in the international promotion. When we talk about tourism we always have to mention Nepal Herbs Diversity and Tradition. In all tourism communication the Nepal Herbs logo has to be included. Next to that we see a more pro-active role for the 29 Nepali Embassies and 56 consulates abroad. Banners have to be positioned, diplomats trained, informed and inspired on Nepal Herbs and our samples can be shared during all their company visits. Of course we could also think of one day a year that we call harvest day in which we invite all key buyers and stakeholders to the embassies for some nice Ayurveda meals.

6. **Mira Rai to become our brand ambassador**: We believe Mira Rai could be a great brand ambassador as she reflects determination, energy, healthy living and youth. She can inspire her followers on Facebook (102,043), Twitter (2.5k) and Instagram (23k) as well as on the events, her sport gear and as a keynote speaker.

7. **Buyers mission to Nepal and building Direct Trade Partnerships**: A famous (marketing) quote of Confucius is 'Tell me and I will forget, show me and I may remember; involve me and I will understand.' From the interviews we learned that the participants of buyers mission were completely surprised and impressed and spiritually touched by their visit to Nepal. We therefore have to invite the buyers to connect with Nepal. Furthermore it is essential to start developing Direct Trade Partnerships to jointly develop the internal and international markets. As outlined in the marketing trends this offers a wealth of sustainable and long term opportunities for both sides.

8. **Claim #NepalHerbs and become opinion leader in natural / organic production**: As outlined earlier we see the opportunity to really claim #NepalHerbs as the known origin for Herbs including its health benefits and wisdom as expressed in the ancient Ayurveda wisdom and tradition. Herewith we can also set the norm and become a frontrunner in natural organic production, which will get more and more attention in/of the world.

9. **Mr. Ginger as the Nepali Ambassador**: Copying the Ecuador Banana Ambassador together with Nepal Tourism and adjusting it to our Funny Nepali Mr. Ginger. We can activate the campaign with QR codes on the product directing participants to the Mr. Ginger platform. People can participate by advocating why they want to become the Mr. Ginger Ambassador and have the opportunity by gaining the most online votes to win a trip to Nepal. During this trip they make a marketing documentary about natural organic farming and the potential of Nepal as a MAP country.

---

12 https://www.facebook.com/mirarainepal/
13 https://twitter.com/miraraiofficial
14 https://www.instagram.com/mira.rai/
15 https://www.youtube.com/watch?v=kpbXeh4crBY
10. **E-commerce and convenience**: The Trademark should develop a joint approach to be active and start direct trade via Alibaba portal\(^{16}\) and the Bio-Organic Directory, among others. Furthermore the successful Hello Fresh is a German company. It would be great if we could partner to develop a Nepali Ayurveda Recipes week to inspire its 1.45 million active subscribers worldwide (2017).

**Participate in Most Relevant Trade Fairs**

Participation in the most relevant trade fairs is essential to meet and start building relationships with potential buyers and stakeholders. Below we highlight the most relevant fairs of which Biofach is for now the most relevant and already taking place in February. Theme of this year coincidentally I “into organic” a great opportunity to position ourselves. As IPD is also very active and offering matchmaking services as well as a Pavilion this offers a great opportunity to launch the Trademark and inform the buyers on the IPD / GIZ Nepal Herbs Trademark cooperation, marketing strategy and ambition. Next to that when a Trademark manager is hired this can be his platform to shine and create awareness for the Trademark Nepal Herbs. He can really act as a brand ambassador to claim Nepal Herbs and put us on the map.

![Figure 12: Most relevant international trade fairs as outlined during the workshop](image_url)

Please refer to the F. Appendix section on page 47 to see examples of Nepal Herbs Trademark branding and co-branding at fairs.

---

16 https://www.alibaba.com
Key Takeaways for Marketing Activation

The following conclusions and recommendations apply to marketing activation.

1. Website, social media channels, logo, brand guideline are in place, now it is time to activate.

2. A huge opportunity to claim #NepalHerbs just like Colombia is claiming coffee.

3. We are at phase 1 to create awareness for Nepal Herbs and gradually grow our exports and Trademark into familiarization, consideration, and purchase and into loyalty and long-term partnerships.

4. For the customer journey it is important to be found online, to have a professional website and product catalogue and have a professional business attitude as reliable partners for our clients.

5. Key partners include the three Trademark associations, its members, farmers / collectors and value chain that we have to engage and make proud and aware of the value of our Trademark. Next to that it is important to advocate for the sector to become a Government priority sector and support sector development and International Trade Promotion.

6. When we have a go from Government to use the logo we can integrate it in all the Trademark marketing kit, stationary and also for local use in the Nepal Herbs value chain to make the sector more visible.

7. In order to beat giants like India and China we have to differentiate with guerrilla, niche and meaningful marketing activities that are low cost but have high impact and most importantly generate more impact with the activities we are already conducting.

8. In order to maintain momentum and strengthen the Nepal – German cooperation it is recommendable to (soft) launch the #NepalHerbs Trademark on Biofach in order to start the activation.

9. The workshops have been a great joint effort of the sector by working together. It is important to continue to build momentum and bring together all stakeholders, to share knowledge and work together for sustainable development and sector success and shared vision.

“It always seems impossible, until it has been done.”

Nelson Mandela
E. WAY FORWARD

Building a Trademark is like climbing the Mount Everest. It all starts with good preparations (extensive market research), you have to be in shape (have enough experience & quality) and setting up your team (steering committee, Trademark manager, partners). Then make sure your base camp is right (get pre-conditions in place, right infrastructure, have certifications apply to EU legislation) and well equipped (basic marketing material in place). From there onwards you can start making the first climbs to test, validate and acclimatize (sent some samples and have them tested).

We can climb higher and rest lower (first shipments needs higher pre-investments to arrange for and we have to await the second orders). We also have to assess and adapt to the weather conditions that sometimes our out of our control and we can become sick or our material breaks down under extreme conditions (it can be that the business case will not work out because of impossible logistics for example). Slowly but surely we can skip some camps (like Indian traders) and make it to the summit directly.

Herewith however we always have to respect the 3 rules of mountaineering: “It's always further than it looks. It's always taller than it looks. And it's always harder than it looks.”

Figure 13: Most relevant milestones in Nepal Herbs Trademark and towards activation
We are already at Basecamp

As you can see the metaphor of climbing the Highest Mountain in the world can in many ways also applies for the Nepal Herbs Trademark. However as outlined during the workshops and final presentation we do no start from scratch.

- Associations have been serving their members for years.
- 3 associations united under the Nepal Herbs Trademark.
- GIZ/IPD supported with sector development and international exports.
- Trademark, marketing kit and brand guideline developed. Trademark submitted to Government for approval.
- Code of conduct set up to provide framework for strategy, objectives, management, organisation, criteria and usage of the Trademark and logo.
- Marketing strategy and action plan developed by and for the sector.

So now we are almost ready for our final basecamp to set up the Trademark Governance by securing resources, quality norms and management. Then we are ready to put our Nepal Herbs Trademark flag on top of the world and start executing our marketing strategy and activation.

Recommended Next Steps

For the way forward we see the following essential steps to be taken:

1. **Focus on market entry tactics:** emphasizing on key target groups – wholesale / importers / buyers / traders in Europe, working with key producers that are already trading with Europe and key products and markets based on volume, price and growth.

2. **Set governance structure:** Define organizational and managerial structure to support and promote the sector. We need to define leadership and confirm ownership.

3. **Define standards:** What are the requisites to access the brand? We need to confirm who is eligible to use the Nepal Herbs Trademark.

4. **Define budget:** What economic resources does the sector have; how to invest them; who sponsors. The scope and complexity of marketing activities is proportional to the resources we have.

5. **Launch activation plan:** Chose activities as outlined in this document and start implementing them. Select a list of (specific/niche) cross media actions to launch and start generating awareness.
STEP 1. FOCUS ON MARKET ENTRY TACTICS

Key Target Group – wholesale / importers / buyers / traders in Europe

Nepal Herbs Trademark speaks to a wide audience, not just its clients and suppliers. However, we must prioritize. Therefore first focus will be on the farmers and collectors on one side and the importers / buyers / wholesalers in Europe (Germany) on the other hand.

First focus is to unite and organize the local market in order to develop one shared vision, mission and a joint agreed upon approach. After that 80% of the efforts should be on the B2B market by building credibility and relationships with the main importers and buyers that can provide access to the EU market. Possibly these buyers can decide to use our logo to communicate the origin to the final customers, however it is up to them to decide. At first, we can start trading smaller volumes of specific product and when this goes smoothly volumes can be increased as well as new ingredients added to the portfolio.

Other secondary target groups however are key stakeholders such as certification agencies, lobby to the government for structural sector development support as well as the Nepali Embassy’s and international industry associations who can introduce us to their members as well as GIZ/IPD who can support us in local capacity building as well as international trade. The pictures below indicate our focus and actors in the value chain as well as specific target groups.

Figure 14: Value chain key players
Figure 15: Value chain B2B versus B2C marketing communication.

Key products and markets based on volume, price and growth

Now that we know our key buyers and audiences it is also good to focus our attention on key products. Which products are we currently trading, that are high in demand, have good prices and we foresee that demand will grow. Again when we start developing those products in demand first, we can build up our trading relationship and gradually add more (exotic) ingredients to our portfolio. The flagship products can pave the path for more volumes and more variety of products in the (near) future. During the workshop it was concluded that we initially should focus on food with spices & herbs and cosmetics & aromatherapy with essential oils. Fatty oils, Dyes, Floral Water can also be considered. Pharmaceutical and Medicinal is very complex because of European legislation and getting the ingredient registered asks for time investments, (too) high investment in R&D and certification to prove the benefits and exclude negative side effects of the products.
Figure 16: Potential markets & products based on demand, volume and price

Key producers that are already trading with Europe

Especially in the start-up phase of the Trademark Nepal Herbs it is key to assure the quality of the brand, as we will also point out in the brand governance section of this marketing and action plan. Therefore quality standards will be developed for the products and producers that can use our logo and Trademark and can act as brand ambassadors, best practices in the beginning. In this one could think of Nepali member companies that already have 2-4 years of experience in trading significant and growing volumes with Europe, their products are certified, tested and approved on the European market and by their clients and the company has proven good
farmer and collectors practices that can also be stated by organic certification.

Currently 9 companies are supported by the GIZ/IPD program to increase exports to Europe amongst others by certification support, fair participation & matchmaking and other guidance. These companies went to an extensive selection procedure following amongst others the above-mentioned criteria. These companies can act as role models for other Nepali companies that are starting with exports as they set the example, raise the bar for quality production and can share their lessons learned on the European market with the sector and upcoming companies.

The selected companies in the GIZ/IPD program are:

1. Satya International (medicinal plants, spices, essential oils, soapnut and churi butter)
2. Shangrila (tea, some spices)
3. Gajurmukhi (essential oils)
4. Everest Aroma (essential oils)
5. H Plant (essential oils, mainly jatamansi oil)
6. National Organics (soap nut, medicinal plants)
7. Organic Mountain Flavor (ginger, turmeric, Szechuan pepper)
8. Himalaya Bio Trade (HBTL) (natural ingredients & essential oils)
**STEP 2. SET GOVERNANCE STRUCTURE**

In order to activate and ensure continuity in our marketing we have to set up the right governance structure. This is the all-encompassing process to ensure consistent delivery of our brand promise, each and every day. It has to make sure that we achieve our short term and strategic goals, it unifies all the members and stakeholders and to make sure we create cost savings, maximize value and efficiency with a joint Trademark approach. During our presentation we showed the following structures for brand governance and marketing activation.

**Organizational structure**

The corporate configuration, standardization of tasks and decision making processes of stakeholders. This combined with the operational management approach to manage the day to day operations, activations and stakeholders. They run and grow the team, can raise and distribute funds, get the marketing materials in place and distribute them and activate the marketing kit.

![Trademark Governance Set-up](image)

*Figure 17: Trademark Governance Set up as presented by the specialist experts*

The organizational structure is composed of a Monitoring Committee and a Trademark Manager as described as follows.
Governance model responsibilities

**Figure 18: Brand Governance System for management and trademark use**

**Figure 19: Brand Governance Functions and Responsibilities set up**
1. **Strategies, policies & regulations:** Of which the Monitoring Committee defines the overall leadership, sets the policies & standards, leads the marketing & business strategy and is responsible for the final approvals. The Trademark Manager does the coordination and project management of the Trademark and marketing activities. The Monitoring Committee and manager work together in the connections, lobbying and partnering with international development organisations (like GIZ/IPD), Government authorities and in this case also international representatives such as embassies and consulates.

2. **Creativity, marketing and communications:** This is the role of the Trademark manager that is supporting and coordinating the Trademark users. He/she executes all marketing communication activities, campaigns and advertisements possibly with support of creative agencies. He/she coordinates and writes the free PR activities and press as well as social media channels. They are the face of the brand and prepare and optimize the participation in international trade fairs as well as support in matchmaking and guidance for the participating companies.

**On the Trademark Manager**

For the selection of the Trademark manager and its roles and responsibilities we have a detailed job description available. During our trip it was mentioned that it is important that this manager has marketing as well as some knowledge of the sector and an international profile. Furthermore he/she has to be independent and should not have any conflict of interest (in other word also represents his/her own MAP company). As the Trademark is a joint initiative with GIZ/IPD and Germany the primary market to provide access to Europe a German candidate supported by a local assistant could also be explored. Herewith the German ZIM Program\(^\text{17}\) could be an option for this “volunteer”.

---

\(^{17}\) [https://www.zim.de/ZIM/Redaktion/DE/Publikationen/Publikationen/flyer-zim-international.pdf?__blob=publicationFile&v=5](https://www.zim.de/ZIM/Redaktion/DE/Publikationen/Publikationen/flyer-zim-international.pdf?__blob=publicationFile&v=5)
STEP 3: DEFINE STANDARDS

This is always a hot topic for discussion. On the one hand you would like as many companies to use and promote the brand in order to optimize scale. On the other hand you have to guard and manage the high quality of your brand as one weak / bad example can ruin it for the rest of the sector.

Code of conduct sets bar for high quality

The code of conduct is clear in its objectives that it “aims to protect the high-standard quality of Nepali herbs and herbal products and to assure consumers and importers about the prescribed quality of Nepali herbs and herbal products.” Herewith it already sets the bar and criteria for high quality products that the users of the Trademark and logo have to meet. In various chapters the Code of Conduct already sets the general framework for quality to be maintained, the usage of the label and the monitoring & evaluation and even penalties. for violations like using the trademark wrongly or without approval. Amongst others it highlights:

- It shall be duty of all members to use good agriculture practice in the collection and production of quality herbs and herbal products, in order to maintain quality.
- When maintaining quality in products for purposes of the collective trademark, members shall comply with the standards as provisioned in Schedule-01.
- Products that do not comply with Schedule-01 shall not be deemed to be quality products.
- It shall be the duty of members themselves to maintain quality pursuant to Schedule-01.
- It shall be the liability of members themselves to adapt the internal management of an industry or business to maintain the prescribed quality, should such adaptation be required.
- The Working Committee shall carry out supervision, inspection and monitoring from time to time regarding whether or not members have maintained quality. Such actions may be performed by providing or without providing prior information to members. It shall be the duty of the concerned members to provide support to the inspection team during inspection.
- Prior to applying for use of label to the Working Committee, the concerned member shall prepare the self-declaration form containing details of products and shall obtain the certificate of quality pursuant to Schedule-01 from a laboratory recognised by Government of Nepal.
- If a product is submitted along with the certificate of quality test, such product shall be of quality pursuant to Schedule-01. In addition, such certificate shall contain all details about the examination carried out during the quality test. For the use of label, members shall submit application pursuant to Schedule-09 at the office of Working Committee, along with evidence of quality pursuant to Schedule-01.

*Note: However Schedule 01 that provides the “Basis and Standards to Measure Quality
of Products” still has to be determined by. So it is essential that this will happen as soon as possible.

The Use of the Label

The code of conducts also provides in a framework for the use of the label. In which only members of the Working Committee and members of the Association may participate in the use of label. Entrepreneurs who have not obtained membership of the Association but wish to use the label, shall obtain membership of the Working Committee and membership of the Association prior to submitting application for use of label. Members of the Association who obey the Regulation and Code of Conduct may use the label on their products pursuant to Schedule-05. All procedures as provisioned in the Regulation must be completed when affixing labels. Members who act in a whimsical manner other than as provisioned, shall be liable for such acts. The Collective Trademark Monitoring and Evaluation Committee shall carry out monitoring from time to time in order to determine whether the label is being used in proper manner.

Until the Basis and Standards to measure quality of products are defined we recommend only to work with selected front running companies with export experience, certifications in place, proven quality product and a developed supply chain with good farmer and collection practices in place to test and use the Trademark on the international markets.
STEP 4: DEFINE BUDGET

Already at the start of our trademark we have to consider how the Trademark can be funded in order to grow sustainably over time. During the presentation we outline 3 models for funding: private, public or a combination of public private of which the latter seems currently the most realistic for the Nepal Herbs brand. We also mentioned the social entrepreneurial model in which a brand is started primarily with public funding, however in due time realizes more incomes as export increases and the private funding from membership fees or export levies and even incoming generating business activities / membership services / program management by the Trademark can finance its future growth and reduces its dependency on public funds. During the workshop the participants already practically unanimously expressed their interest to contribute to the Trademark by financial and in-kind means.

![Diagram](image)

**Figure 20: Overview sorts of Public, Private or blended funding**

**Best Practices**

For your information and inspiration we herewith provide you with some best practices of each of the three ways of funding:

**Australia:** One umbrella brand that is the same for sub sectorial brands.

- Private Scheme (100% private funds):
- Managed by non-profit organization 'AUSTRALIAN MADE CAMPAIGN LIMITED', established by the Australian Chamber of Commerce & Industry (ACCI) and other regional chambers of commerce.
- Australian Made Campaign Limited does not receive public funds for its operation. It is financed by the payment of licenses for use of the mark.

**Chile**: Brand Country with Umbrella marks for food sectors plus (sub) sector brands.

- **Public - Private Scheme (mixed but mainly public funds):**
- The actors behind Foods From Chile are: ProChile (a public entity under the Ministry of Economy), the Ministry of Agriculture and the Association of Food Exporters (ASOEX).
- ProChile manages the brand.
- The brands in each sector are managed by ProChile jointly of private committees of each sector.
Colombia: Public brand with mainly public funds:

- The actors behind the country brand are ProColombia and Marca Pais and they manage the brand.
- Now discussing to use logo in general with lower quality control and criteria as well as introducing a Seal for quality control and higher certification standards. The sectorial brand could either be represented as a “logo” or as a “quality seal”. Please see examples Draft logos and certificates for Colombia promotion and quality certification below:

Business planning to indicate the need for financial support

The Trademark association now has to do its homework and business planning to indicate the financial resources it needs to run its organisation, Trademark and marketing activities. This consists of overhead costs like staff (trademark manager), office and stationary, travel and representation. As well as marketing and communication costs for developing and printing the marketing kit, video, online marketing, PR, participation of fairs, (inter) national media spending. And above all also allow budgets to approve, coordinate, control, and promote the usage of the Trademark and Logo by its members and users. It has to submit its need for support of funding by public /NGO as well as its business model for private funding that it foresees to sustainably fund and grow the association.
STEP 5: LAUNCH ACTIVATION PLAN

We want to emphasise that we do not have to await the previous steps 1-3 in order to already start activating our marketing activities as outlined in section D. However these steps are essential to define the scope and secure the guidance of the activities.

As outlined earlier we see two main items for the Activation Plan:

1. Brand governance – making business plan, activating organisation (hiring manager) and approval of government for the trademark.

2. BIOFACH – use launch at Biofach to start activating the brand, developing our marketing material, start sharing our unique story and engaging with the most relevant audiences and stakeholders.

Practical and relatively easy to accomplish steps could be:

1. Nominate Steering Committee and Working Committee and develop strategy business plan 2019 and basis quality standards. Submit business plan 2019 to eligible sponsors and partners.

2. Hire Trademark Manager and assistant or have another interim solution to start activating the marketing activities.

3. Select, prioritize and elaborate on marketing activation ideas and scenarios as outlined in this document and translate them to clear project management approach 2019.

4. Get Government approval and make clear plan of distribution logo amongst the association and members value chain and select first (9) companies that could use logo for international promotion. Starting by using logo for internal stationary and give aways like pens, caps etc.

5. Develop action and preparation plan for (soft) launch Trademark on Biofach including roles & responsibilities, support participating companies, list for invitees, aligning with IPD and Nepali Embassy, develop press release, banners, sample and video, budget setting.

6. Organize another workshop and gathering to update and involve all participants on the latest developments and way forward for 2019.
**Figure 21: Calendar & activities overview of marketing activation**

For a full blown version of Figure 1 please refer to:
Figure 22: Trademark branding example at fair

Figure 23: Trademark / company co-branding example at fair
**Figure 24:** The Marketing Strategy & Positioning Canvas we worked on during Workshop I, Sep. 26, 2018

**Figure 25:** The Marketing Action Plan Canvas we worked on during Workshop II, Sep. 28, 2018
Kathmandu Workshop memories
Kathmandu Workshop and field visit memories
Jop Blom  
Sustainability and Entrepreneurship Expert  
+57 3232084827  
jop@rainbowcollection.nl  
www.rainbowcollection.nl

León Trujillo  
Territorial Branding And Marketing Expert  
+57 315 862 8802  
leon.trujillo@nationmark.co  
www.nationmark.co