

Alberta Beekeepers Commission
Final Action Plan

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Our Team

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Yvone Joubert is a 4th year Bachelor of Commerce student with a major in Management. She recently developed an interest in entrepreneurship and startups, after attending the European Innovation Academy in Cascais, Portugal, where she worked with a team to create a startup company in 15 days. She will graduate in December of 2019.

Camille Labrie is a 4th year Bachelor of Commerce student with a major in Marketing. Her business experience comes from time spent at both MacEwan University and Toulouse Business School. Her passions include learning of other cultures, languages, and travelling. She will graduate in December 2019.

Nicolle Talanda is a 4th year Bachelor of Commerce student with a major in international business, and plans to pursue a Master's in Business following the completion of her undergraduate degree. Nicolle speaks Polish, and is currently learning Spanish as well.

Executive Summary

The purpose of this research is to gain insight and understanding into the current available market for honey and honey-related products within the United Arab Emirates. This research will be used to provide Alberta honey producers information and statistics on the potential opportunity of marketing and selling their honey products in the UAE.

To address the questions from the Alberta Beekeepers Commission, our methodology was based around online research. The topics that our team focused on researching included:

- The current state of the honey market in both Canada and the United Arab Emirates.
- The level of growth available in the honey market in the UAE.
- How Alberta honey compares to that currently found in the United Arab Emirates.

Our team believes that the Alberta Beekeepers Commission should work with their eligible producers and Alberta Agriculture's International Market Development staff to continue exploring what expansion into the United Arab Emirates Honey market would look like.

Throughout our research and discussions, while we have found several areas of opportunities in expansion, the United Arab Emirates accounts for 1.5% of the total honey imports in the world and there are several areas of opportunities that currently exist within the market that the Alberta Beekeepers Commission could take advantage of. These include:

- The Middle Eastern markets are straying from honey imported from China, the world's largest honey supplier, which is allowing opportunity for new sources of honey to be imported.
- A recent drop in sales for one of the bestselling honey brands in the Middle East due to their price increasing threefold, is allowing an opportunity for new competitors to reach this market.

Canada holds a good reputation for its agricultural products around the world and this coupled with the existing strong trade relationship with the UAE, results in our team feeling confident in stating that with the proper marketing strategy and a strong team, Alberta honey producers could see success in the UAE honey market.

Introduction

The purpose of this report is to serve as an analysis to establish the feasibility of expansion for the Alberta Beekeepers Commission in branching out to the Middle East, more specifically, The United Arab Emirates. Our analysis has led us to study the effects of global marketing and the fiscal success of the project. We have studied points of parity and difference of other honey corporations, as well as brand elements, brand demographics, and ways to grow and sustain the brand. The data collected for this report was gathered through online articles, company websites, and peer-reviewed journals. This report presents the current findings and background information on the Commission. Findings and recommendations at this point are final; they have been analyzed in all aspects and reflect the best course of action for the Alberta Beekeepers Commission to follow.

Company Background

The Alberta Beekeepers Commission is a non-profit organization of provincial beekeepers. In order for a beekeeper to be a part of the Commission, they must have a minimum of 100 hives. Currently, the Commission represents 180 eligible producers in Alberta who collectively have 286 000 hives. The Alberta Beekeepers Commission's representation makes up more than 90% of the total colonies in Alberta.

Country Background

The United Arab Emirates has a population of 6 million people, with a population growth rate of 2.67%.

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

Due to the previous financial crisis of 2008-2009, the UAE has developed a strategic financial plan for the next several years; this strategic plan includes economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment. (The World Factbook: United Arab Emirates, October 2018)

The United Arab Emirates is the 25th largest export economy in the world. In 2016, they exported \$174 billion worth of product, and imported a total of \$196 billion. The UAE population accounts for 0.0012% of the total world population, while still accounting for 1.5% of the total \$2.04 billion worth of honey imports in the world (Honey Trade, n.d.).

The UAE also has a stable economy and political system (United Arab Emirates, n.d.).

Market Background

Export Development Canada (EDC) evaluates the United Arab Emirates market as open, meaning it is actively pursuing business, as well as low risk (United Arab Emirates, n.d.).

The retail market in the United Arab Emirates is defined by a large number of retailers. The top five retailers account for 14.5% of the market share. These are LuLu Group, Carrefour, Spinneys, Choithram, and Al Maya (Agriculture and Agri-Food Canada, 2016). Retailing in the UAE increases every year by over US\$2 billion, (Agriculture and Agri-Food Canada, 2016, p.1). Food retailing grows by US\$1 billion each year, and food retailing per capita was estimated to be US\$2,824 in 2015, (Agriculture and Agri-Food Canada, 2016, p.1).

The UAE is a key Middle Eastern market for Canadian exports in many sectors (United Arab Emirates, n.d.). The median UAE household income was US\$103,757 in 2014, ranked first among all countries in the world (Agriculture and Agri-Food Canada, 2016, p.1). The average grocery spending is positively correlated to the amount of the growth in household income, both are increasing.

Market Research

There are currently two prominent consumer trends in the United Arab Emirates. The first trend is an increasing interest in healthier foods, as awareness of health issues grows (Agriculture and Agri-Food Canada, 2016). It is even becoming more common for consumers to demand products that are gluten-free, dairy-free, as well as sugar-free (Agriculture and Agri-Food Canada, 2016). Honey was the top food with all natural products in the UAE market, followed by fish products, pasta, dressings and vinegar, and cooking sauces (Agriculture and Agri-Food Canada, 2016). The second trend is the search for bargains that counter the rising prices of grocery products, as well as the increasing cost of living in the UAE (Agriculture and Agri-Food Canada, 2016).

SWOT Analysis

Strengths

- Honey can be used as an antibacterial agent, natural sweetener, as well as widely used within beauty products such as soaps, creams and hair products (Ghazal, 2017).
- Canadian honey is of higher quality, with less additives and residues that can be harmful to humans, unlike its major competitor, Chinese honey. The honey is also not as heavily processed with high-fructose corn syrups, which can eliminate honey's health benefits.
- Honey contains more than 180 nutrients, including proteins, enzymes, vitamins, and minerals such as B12, calcium, sodium, phosphorus, manganese and fluoride (Ghazal, 2017). Enzymatic and non-enzymatic antioxidants, including catalase, ascorbic acid, flavonoids, and alkaloids are present within honey as well (Ghazal, 2017).
- Canada holds a good reputation for its agricultural products around the world. It is seen as a source of clean, trustworthy food in countries overseas. (Arnason, 2018)
- Canada has a strong commercial trade relationship with the UAE (United Arab Emirates, n.d.)

Weaknesses

- Differentiation of this product amongst its competitors can be limited

Opportunities

Many opportunities exist within the UAE market, due to factors such as cultural associations, population/societal changes, health related benefits, and other uses:

- Honey is a multi-usage product. Demand in the Middle Eastern market continues to rise as honey is highly valued for its use as a beauty tool, antibacterial agent, and natural sweetener. (Ghazal, 2017).
- Middle Eastern markets are straying from honey imported from China, the world's biggest honey supplier, as some Chinese honey was found to contain traces of chloramphenicol, a residue that can be harmful to humans. As a result, this caused a block in honey imports from China, as well as opportunity for new sources of honey to be imported from other countries, such as Canada. (Field, n.d.)
- Demand for honey also remains high in many Middle Eastern countries, including the UAE, as most possess a strong cultural association with honey due to honey's health giving properties being referenced in the Koran. (Field, n.d.)

- The UAE population is growing, as well as high income populations are migrating from Europe, the United States and other richer parts of the world. (Field, n.d.)
- One of the bestselling honey brands in the Middle East, Langnese honey, has had a drop in sales because of honey prices increasing threefold. Sales in UAE were especially hit the worst, as the UAE market is very price sensitive. This leaves room for new competitors to reach this market, such as Canadian honey exporters.

Threats

Threats to the honey industry in UAE exist due to change in demand and market perception, as well as high levels of competition:

- Trend of declining honey sales in the Middle Eastern region mainly due to price increases of Chinese honey.
- Spreads such as jam, chocolate spread, and cream cheese belonging to the breakfast category are marketed aggressively, thus creating greater competition and making honey harder to market. (Field, n.d.)
- China, a primary honey exporter to Middle Eastern countries, possesses a much closer proximity to UAE than Canada. Closer proximity usually results in lower shipping costs, thus making the honey cheaper, than honey being imported from a country such as Canada would be.
- There is a trend of lower interest in honey seen among the younger generation. This is problematic as the Middle East “has a very heavy young population” (Field, n.d.).

Data Points

Competitive Frame of Reference

This product fits in the breakfast category of jams, spreads, and honey.

Competitive Analysis

In the year 2015 Agriculture and Agri-foods Canada conducted a study analyzing the top 5 foods with all natural products in the UAE market. Honey came in first out of all five products at 14.29% (Agriculture and Agri-Food Canada, 2016, p.1). It also analyzes a list of the top ten grocery retailers in the UAE. Coming in first is the LuLu Group with a six percent market share, and over 2.5 million USD in sales (Agriculture and Agri-Food Canada, 2016, p.1). The findings also conclude that modern grocery retailers dominate the retail landscape due to their scope of products and convenience to the customer.

Other brands that sell honey at these grocery stores are: Capilano, Al Shifa, Langnese, and Nectaflor. These brands sell in a range of varieties that include: natural, orange blossom, and acacia. The packaging ranges from 125 mg to 1 kg containers with labels in both English and Arabic. This packaging ranges from glass jars that open from the top, to the more Western familiar squeeze bottles.

Trends

Yemeni Honey is the most popular. The use of honey for health benefits is prominent in the UAE culture. This sector is interested in organic products as well as an increased effort in choosing companies that are sustainable (Ryan, 2018, p 1). Another notable trend is that honey and agave are popular additives to beverages in UAE as well as an increased attractiveness to hot beverages (Ryan, 2018, p 1). A shift towards local ingredients is also appearing (Ryan, 2018, p 1). This could be a possible threat to the Alberta Beekeepers Commission.

Parity

Beekeepers association of United Arab Emirates is a similar association to the Alberta Beekeepers Commission, located in the UAE. This is a threat towards the expansion of the Commission as this association is well established within the community and knows the culture and values of the area (United Arab Emirates Beekeepers Association, n.d.)

Difference

The Beekeepers Association of United Arab Emirates face different geographic traits. Diseases and predators facing bee species are different than those affecting Canadian bee farms. The UAE has Death-Head Hawk Moths, Geckos, Wax Moths and others predators attacking the producing bees and their hives. Canada's harsh winters affect Bee life span and ultimately the population of Bees. The Beekeepers Association of the United Arab Emirates have already integrated and learned the required actions to take in order to develop and protect this area of business in UAE. They are familiar with the culture and the population practicing it. The UAE is a foreign market to the Alberta Beekeepers Organization; therefore, extensive research on customs, beliefs and behaviours in marketing are necessary for success.

Implementation Plan

Because honey is a relatively low learning product, it is not going to take extensive time to figure out products. We plan to have full implementation of the product by the end of year one. By having sufficient time to study the current market and developing and adapting the correct marketing strategies to tackle this foreign market, the product will be successfully implemented in the industry. The following is a timeline of the implementation stages. Analysis of the market is not included in this time-line as the extensive research of the foreign market is expected to be completed prior to implementation.

When:	What:
Year 0 - January to March	Adapt the product label and packaging to fit the standards of the UAE. This includes a change in the packaging labeling of the branding and ingredients.
Year 0 - April 1	Finalize the product details and Find local retailers that will offer shelf space for the products. An expatriate may be necessary for selection and negotiation with the retail stores.
Year 0 - May 1 to July	Propose the product to these retailers.
Year 0 - August 1 to September	Finalize contracts with the retailers.
Year 0 - October 1	Advertising begins. In-store, point-of-purchase display advertising is recommended. Product placement is crucial to the success of the marketing.
Year 0 - November 1	Send sufficient amount of product to the retailers.
End of Year 1	Product launch in retail stores.

Once implementation is fully in effect, re-evaluation of the marketing efforts are to be done. The plan must be revisited for adaptations or complete changes. Failed and successful attempts are to be analyzed and the changes are to be reflected in the marketing plan. For example, a more aggressive marketing technique may be necessary. The Alberta's Beekeeper's Commission will work with their producers interested in this market to reflect on the amount and type of advertising, consumer's critiques, finances, and changes in the external environment before make any necessary changes.

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