TARIJA, AROMAS Y SABORES

“With a focus on distinction, quality and inclusion, ‘Tarija Aromas y Sabores’ is the brand with which the Central Valley of Tarija has been competing in national and export markets, adding value to the area’s special qualities, which ensure that their products are unique to the region.”

-María Patricia Virreira Lenz, Project Coordinator-

EXECUTIVE SUMMARY

The Central Valley of Tarija Agrifood Chains Competitiveness Program has been cofinanced by the MIF, and was administered first by FDTA-Valles (until 2010), and then to date by the FAUTA-PO Foundation. The objective of this program is to improve the region’s competitiveness through the consolidation of an agribusiness cluster that makes the development and empowerment of local MSMEs core elements of fostering socioeconomic cohesion and promoting competition in Tarija.
INTRODUCTION: TARIJA, A PRIVILEGED PLACE

The Central Valley of Tarija is located in southeastern Bolivia. Its climate is mild with an average temperature of 18 degrees Celsius (64 degrees Fahrenheit), which gives the land enormous agricultural potential. Vegetables, fruits, dairy, hay and other products linked to agribusiness find favorable conditions for high quality production. The area’s viniculture sector also offers interesting tourism opportunities, for both the domestic and international markets. Thus, its biophysical, socioeconomic and cultural characteristics enable Tarija to be positioned as a high value region.

The agricultural and food sectors, which together represented over 15% of regional output in 2006, also accounted for a significant share of employment in the region, with 25% of the working population.

THE CHALLENGE: NEW HORIZONS FOR MARKETING

In 2006, Tarija’s agro-alimentary business was basically limited to the local market, with little penetration at the national level and with very marginal volume of sales and exports. The sector was also affected by a number of barriers that hindered its entry into new markets: low quality standards (both in agricultural production and in processing), poor technical and business development, and a weak link to production value chains.
TARIJA AGRIFOOD CHAINS

COMPETITIVENESS PROGRAM

In 2006, FDTA-Valles, a nonprofit foundation focused on agricultural development in Bolivia, started collaborating with the MIF. With the aim of boosting the economy of the area, the organizations worked together on a pioneering project to expand the market for the Central Valley of Tarija’s production, and to develop high-quality offerings geared to meet the standards of sophisticated markets. The project’s objectives and scope required a strong local institutional counterpart, which was provided by the then-Prefecture of Tarija (currently the Autonomous Government of Tarija Department), FDTA-Valles and the FAUTAPO Foundation. These entities, in addition to their institutional images, pledged significant financial and human resources. FDTA-Valles was the executing agency of the program until October 2010, when the Foundation FAUTAPO, Technical Education for Development, assumed the responsibility of completing it.

The project focused on two main pillars: the integration of production chains and the definition of a branding strategy. This presented a challenge to the MIF, as it was the first time production integration had been combined with local development.

INTEGRATION PROCESS
OF PRODUCTION CHAINS

From the beginning, the project was identified as a key instrument for building a local business network, able to unite the region socio-economically through the integration of agricultural production chains and associated services, all with high quality standards.

To this end, five chains are prioritized along with wine tourism service industry.

TARIJA’S PRODUCT OFFERINGS

The offerings include: grapes, wine, singani (Bolivian grape-based liquor), cheeses, hams, honey, berries, and nontraditional vegetables, as well as tourism related to wine.

Early in the project, the evolution levels of each of these sectors were very heterogeneous. The chain of grapes, wines and singanis, being the most developed and competitive, was the main economic engine of the region at that time. The remaining sectors were at a very early stage, with a long way to go to develop a competitive economy. Most of them were not structured as supply chains and their offerings were very limited. In some cases, such as hams, production was not considered a business activity, but a local hobby.
The project began to develop a major advocacy outreach campaign directed to producers so that, little by little, partnerships began to develop among them and a business vision to create synergies between the different links throughout the value chain started to come together.

COMPETITIVENESS FUND AS A TOOL FOR INTEGRATION OF PRODUCTION CHAINS

Initially, actors from different production chains were reluctant to sit at one table and the association was at a very preliminary stage in the region. MSMEs showed some resistance to working in partnership and the developing a vision beyond the interests of their companies. The project began to introduce the concept of a common and inclusive vision.

A Competitiveness Fund for financing was implemented for joint projects demanded by local companies and institutions belonging to the priority sectors identified by the project. The funding was aimed primarily at enhancing the capabilities and competitive positioning of participants, allowing MSMEs to seek shared goals (without losing sight of their own), get to know each other, build trust between them, and a re-orient their vision and disposition towards shared work and their role as development actors.

A SHARED VISION AND BRAND STRATEGY FOR TARIJA

Building a shared vision and a regional brand for the Central Valley of Tarija, with private actors as main reference, were two key project tools. Both were developed as articulated and parallel processes, allowing the generation of synergies, harmonization and time optimization.

2008: TARIJA, AROMAS Y SABORES: HISTORY AND TRADITION

In 2008 the process of formulating the Shared Vision and Competitiveness Improvement Plan began, with the few actors identified at that time. Due to the characteristics of the environment and stakeholders, the process ended not having achieved much more than identifying the demands and priorities of each value chain.

As for the image of the Tarija brand, at this early stage a study was carried out in the markets of La Paz and Santa Cruz of perceptions of Tarija and its products. Based on this study, the key elements that should be part of the Tarija brand image were identified.

With this feedback, the slogan “Tarija ... aromas, flavors, history and tradition” was tested in 2008, and promotional materials were produced.
The process had two distinct stages, in 2008 and 2010, reflecting the evolution undergone by the actors from an individual, isolated and sectorial viewpoint to a more integrated vision that serves the purposes of each, yet is also collective.

In 2010 an interim evaluation of the project was done, and it found that the process required greater stakeholder participation and strategic vision to integrate the five value chains and the Wine Route.

At that time, with a greater number of important stakeholders involved and an environment generated by the program different from that of 2008, updating the Shared Vision and Competitive Improvement Plan became possible, resulting in the proposal of “Tarija...Aromas y Sabores.”

Through this process, in contrast to the prior work, an important achievement in energizing the territory was made with the stakeholders, which certainly made the difference. The process involved over 200 actors linked to the Tarija productive platform. Altogether, 11 workshops, five training programs and 63 meetings were organized. This work allowed for the aligning of different actors in the region and laid the foundation for developing the Tarija brand strategy.

Regarding the brand strategy, two different alternatives were possible:

- The first and more traditional option for areas of scarce resources and low levels of development was to base the strategy on products with very competitive prices, taking advantage of the low cost structure due to the unskilled local workforce.
- The second, was to emphasize a differentiation based on the quality and excellence of the products.

Finally, we chose the differentiation strategy, looking for innovation in traditional marketing, more oriented to mass markets, aiming for a position in niche markets with high purchasing power.

To achieve this objective, a plan was developed to market the brand both internally, in order for the Tarijians to adopt it as their own, and externally, to promote the consumption of Tarijian products nationally.

The main actions for positioning the brand image that have been implemented are: the marketing of the brand, through participation in trade fairs and promotional events; generating material (brochures, catalogs, cookbooks) and packaging, promoting the Tarija Aromas and Flavors visual identity, holding a 2012 Tarija Aromas and Flavors Festival and national marketing through press visits to Tarija.

The strategy set as its main objective the positioning of Tarija as a distinctly different region which, in addition to producing excellent wines, has a full and varied range of complementary products and services of high or gourmet quality, with unique features in the country.
CONCLUSIONS

RESULTS AFTER FOUR YEARS OF THE PROJECT

The execution of the program, incorporating new approaches, concepts and new tools to improve the competitiveness of MSMEs and of the region, has laid the foundation for thinking about issues that had not previously been seen as important to the Central Valley of Tarija. It has also allowed us to analyze the role of the territory in the competitiveness of businesses, from a different perspective: the Tarija brand image.

One of the main achievements of the project has been the creation of a commercial platform, which serves as the meeting point between companies and markets, which has been a very useful business partnership mechanism for successfully accessing new markets. As part of the platform, the main actions that have been carried out include participating in trade fairs and promotional events, the development of a Tarija Aromas y Sabores website, the momentum of the brand and the development of cultural initiatives.

The goal is for the platform to become the “Tarija, Aromas and Flavors” Foundation, which will serve as a brand positioning engine and will effectively involve all representative public and private levels of the Central Valley of Tarija.

Furthermore, the Competitiveness Fund has become the main mechanism for the project’s interventions. The actions taken have allowed the execution of 31 class actions, contributing to:

- Improved production processes and incorporation of best practices in manufacturing and hygiene.
- Improved products through new packaging, containers and labels.
- Increased access to new markets through participation in trade fairs and promotional events.
- Exchanges of experiences, strengthening of the vision and improved attitudes towards partnership and entrepreneurship.

Furthermore, the concept of the Tarija brand, with its scope and content, has generated a wide expectation, both on public and private actors. Driven by MSMEs that produce specialty products, the brand is projected as a strategic alternative for developing Tarija at a productive and tourism level.

Under this holistic and inclusive perspective, in May 2012, the City Council of the City of Tarija and Cercado Province declared through a Municipal Ordinance that “Tarija Aromas y Sabores” is an “entrepreneurship priority for Tarija production and tourism.” This has been a fundamental step towards its consolidation.

Thanks to the success of these experiences, we have gone from 13 stakeholder involved in organizations and institutions in 2007 to over 300 by the end of the project, adding to the initial entities and institutions, MSMEs and/or associations of producers and other supporting organizations.
LESSONS LEARNED

WHAT HAS BEEN LEARNED ALONG THE WAY?

The project has yielded a number of lessons learned that can be replicated in similar contexts of production integration and territorial development:

• For development of regional policies, to go beyond being a private effort and to rise to the public agenda, the involvement of public entities is needed. Implementation through specific operational structures will ensure sustainability. As proof of this, the local institutional platform for the execution of the program has been a key success factor that has enabled joint efforts, sharing goals and creating synergies. Also, this experience has created a proactive environment for collaboration and coordination and promoting new partnerships with other public and private entities, leveraging additional resources for program implementation.

• Visualizing specific results for pilot partnerships between two or three players in different chains was key to attracting new players.

• Most experiences of regional brand positioning of other countries or regions come from the public sector. For Tarija, it has been the private sector, especially the MSMEs, which have struggled to position the region nationally. This fact strengthens partnerships between different actors.

• The Local Economic Development processes are medium and long term experiences. The program has succeeded in boosting certain processes and creating a proactive environment for the development of a LED strategy, however, additional efforts are required to ensure continuity and sustainability and produce the expected impacts.

SOURCES CONSULTED

• Personal interviews to Camille Patricia Ponce (MIF country specialist) and Mary Patricia Virreira (project coordinator FAUTAPO).