Bord Bia was established by the Irish Government for the market development and promotion of Irish food and drink. It works with the Irish food, drinks and horticultural industry to increase sales and exports by promoting Irish companies abroad and attracting overseas buyers to buy Irish produce. Its objective is to bring the taste of Irish food to more tables worldwide.

The role of Bord Bia is to drive the success of a world class, Irish food, drink and horticulture industry by providing strategic market development, promotion and information services.
The main strategic objectives of Bord Bia are to:

- actively contribute to the success and development of the Irish food, drink and horticulture industry;
- positively influence attitudes towards, and knowledge of, Irish food, drink and horticulture among consumer and trade buyers in target markets; and
- proactively respond to significant market issues that affect the industry.

Ireland’s changing food industry

The face of the industry in Ireland is changing. Personal health and wellbeing continues to be a dominant driver affecting consumer choice. The saying ‘You are what you eat’ has become widely adopted. In the past, food was simply for sustenance and enjoyment. Consumers over the last decade have acknowledged the need for foods to not only maintain their normal health, but also to help reduce the risk or delay the onset of some diseases such as cardiovascular disease and cancer. Today food is recognised as a key determinant to one’s overall physical and emotional wellbeing.

Consumers are demanding more knowledge about the products they’re consuming. Traceability, the ability to track any product from the original farm on which it was first produced through the processing, distribution and retail stages to the final consumer is vital in ensuring that consumers can enjoy Irish food and drink products with complete confidence.

Increasing levels of sophistication in consumer tastes and demands have raised consumers’ expectations of quality and variety regarding premium and indulgence. Probably the most important factor leading to the growth of premium and indulgent products has been the increase in disposable incomes and accompanied economic growth throughout the 1990’s. At the same time, falling average household sizes and changes in work patterns also contributed to growth in premium and indulgent food and drinks markets.

Small specialty food producers have capitalised on this trend by focusing on the more discerning consumer who prioritises quality, authenticity and taste. The food industry continues to explore new markets which will help position Ireland’s food and drink industry as innovative, progressive and high quality in the minds of international buyers and consumers.

Another noticeable consumer trend has been the demand for quick options. Consumers have increasingly busy lives with little time to prepare food from scratch. Ready-prepared ingredients and ready-to-eat foods are now in huge demand. Bord Bia market research found snacking is an accepted part of eating habits with almost 90% of Irish consumers agreeing that they regularly treat themselves to snacks. Bord Bia keeps track of consumer trends. Keeping up to date with the market is crucial in their role to assist Irish companies compete in global markets.

The importance of the export market to our economy

Ireland has an open economy exporting 90% of Gross Domestic Product (GDP). Our economy is dependent on exporters and their abilities to succeed. Irish food and drink exports recorded a robust performance in 2005 in what was a challenging trading environment. The value of exports is estimated to have increased by 4% to €7.3bn. This growth was mainly due to strong dairy and beverage exports.

The agri-food and drink industry is an extractive industry, i.e. part of the primary sector which takes its raw materials from nature. Agriculture and food remains Ireland’s largest indigenous exporter providing total employment in the order of 160,000 jobs. It accounts for close to 1/10th of GDP with annual sales of €16.5bn and relatively low import content.

The distribution of the agri-food and drink exports in 2005 by sector was as follows: dairy products and ingredients (26%), prepared foods (22%), beef and live animals (21%), beverages (15%), pigmeat and poultry (7%), sheep and sheepmeat (2%), mariculture (5%) and edible horticulture (2%).

Exports of Irish foods, drink and horticulture

- Dairy Products and Ingredients 26%
- Prepared Foods 22%
- Beverages 15%
- Pigmeat and Poultry 7%
- Edible Horticulture 2%
- Beef and Live Animals 21%
- Sheep and Sheepmeat 2%
- Marriculture 5%

There are approximately 1,400 horticultural food growers involved in a range of farm enterprises including mushrooms, potatoes, field vegetables, protected crops and outdoor fruit and honey. The amenity sector includes such diverse areas as hardy nursery stock, flowers, pot plants, outdoor flowers, bulbs and Christmas trees. Horticulture in Ireland is largely focused on producing for the domestic market with imports representing a significant challenge.
Visible exports & imports

The food and drinks industry bears a significant impact on Ireland’s Balance of Trade. The Balance of Trade is made up of visible exports and imports. A positive Balance of Trade is known as a trade surplus and consists of exporting more than your imports; a negative balance of trade is known as a trade deficit or, informally, a trade gap. Ireland has had a surplus for a number of years.

The Balance of Trade is typically the most important part of the government’s current account. This means that changes in the patterns of trade are key drivers of the current account. Exports generate economic activity that ripples through the domestic economy. Jobs are created and consumer demand is satisfied. Exports are the primary engine for the country's robust growth. So promoting exports is vital to economic survival.

The foreign markets are extremely competitive. Exporting provides a market for thriving Irish companies who want to expand their businesses. Increasing exports have a positive effect on Ireland’s Balance of Payments. Each year the government aims to have a favourable Balance of Payments. The UK was the main destination for Irish agri-food and drink (visible) exports in 2005 accounting for 48% of all exports. 30% of exports went to continental EU markets while the remaining 22% went to International markets.

Swot analysis of Ireland’s export market

- Strengths
  - Grass based dairy and meat products
  - Proven track record in prepared foods
  - Proximity to UK market
  - Strong consumer acceptance globally

- Weaknesses
  - Lack of strong brands
  - Lack of innovation
  - Transport costs

- Opportunities
  - Niche markets, e.g. specialty markets
  - Expanding reach of products
  - Investment in new products

- Threats
  - Ongoing price deflation
  - Retail consolidation
  - Sterling exposure
  - Cultural differences

Marketing strategy for Ireland’s food and drink industry

A marketing strategy is a marketing plan which shows how a business intends to respond to changes in the marketplace and new consumer trends.

- The Food Island - Bord Bia promotes the capability of Irish food and drink under the banner, Ireland - The Food Island. European wide research has shown that although Ireland is well known for its people and for its landscape there is little association between Ireland and food in the mind of the trade buyer or consumer. Ireland - The Food Island was developed to make this connection.

- Development of new markets e.g. China and India. The Asian region is creating new dynamic markets due to very large populations and rapidly rising incomes. This is resulting in the demand for food and drink that cannot be fulfilled by indigenous production. In 2005 Irish food and drink exports to China, including Hong Kong, reached a value of €53.5m, an increase of 84% on 2004 levels. The opportunities in the Chinese market are for dairy, food ingredients, alcoholic beverages and meat.

Problems encountered entering new markets

There are numerous challenges facing Irish food and drink exporters in 2006/2007. The industry has to face an increasingly competitive trading environment. Exporters must be able to adapt to the challenges to ensure continued growth for the industry and the economy as a whole.

- Competitiveness – issues such as currencies outside the Euro-zone, above Euro-zone inflation and changes due to CAP reform. In non-Euro markets, issues in relation to health and veterinary certificates and the use of regulations and labelling as non-tariff barriers.

- Market Research – It is imperative for Irish companies planning to export to carefully analyse the market they are hoping to break into. The same applies for existing firms that want to introduce new products. Market gap analysis allows firms to focus on what is not being produced. Careful market research will enable firms to recognise new consumer trends, spot the gap in the market and tailor their products to meet that demand.
Packaging, pricing etc. – Irish companies must be innovative in how they present their products. A marketing mix that will maximise sales and profits should be created. Packaging in particular provides ample opportunities. For example, new beet cuts have been introduced in the Italian market. Pricing in the drinks market is extremely competitive. In the water market, Irish companies are introducing innovative pack sizes and packaging formats such as pouch packs.

Assistance for Irish exporters

Commercial success depends on reliable information and the right contacts. Bord Bia employs a range of services for exporters. These services put Irish companies in touch with potential buyers and inform them of global market trends.

Market Information and Research – Bord Bia helps companies through the provision of market information and original market research. ForesightFOOD is a new initiative to encourage Irish companies to market-test new product concepts and improve their prospects of success once launched in the marketplace.

Trade Shows – Bord Bia organises Irish company participation at international trade fairs under the ‘Ireland – The Food Island’ umbrella brand. Bord Bia is responsible for the stand design, construction, trade receptions and pre-marketing of the event to key buyers.

Advertising/marketing – Bord Bia carries out generic advertising campaigns, retail and food service promotions, media relations and other promotional activities to support and raise the profile of Irish food and drink in both the domestic and overseas markets. The advertising is aimed to reinforce ‘Ireland – The Food Island’ as a source of quality, natural products.

Relationship Building & Corporate Hospitality Platforms – Bord Bia has sponsored many prestigious events, most recently the Ryder Cup. This event reached an international audience estimated at 1bn, making it one of the top three events in the world sporting calendar. This kind of sponsorship raises the profile of Ireland – ‘The Food Island’ attracts key international buyers and showcases the best of Irish food, drink and horticulture.

ICT – The Bord Bia Client portal is a closed user group (extranet) website available to all Irish food and drink manufacturers. It provides electronic access to Bord Bia material around the clock. Bord Bia Producer website provides up-to-date information and statistics on cattle, pig and lamb trades in major markets and is available on subscription.

Mentoring/introductions etc. – Bord Bia has an extensive in-depth knowledge of the Irish food and drink industry. They can provide companies with details of exports, production, quality standards, health regulations and controls, and new developments in the industry. They act as a bridge, putting Irish companies in touch with companies appropriate to their areas of interest. For small business and specialty food companies, Bord Bia provides a mentoring programme focusing on the British market.

Brand Forum – Brands provide an opportunity for companies to differentiate themselves in competitive markets. A brand is a characteristic that helps to identify a particular product. It is also a trademark. The Brand Forum meets four times a year to help Irish companies develop and promote their brands. These include workshops, publications, study tours and mentoring.

Conclusion

The global food and drinks industry moves so rapidly that up-to-date market knowledge and information is crucial. Irish companies hoping to break into global markets can benefit enormously from the services that Bord Bia offers. It can help existing exporters foster new contacts and expand their businesses further.

Glossary

Traceability: Refers to the completeness of the information about every step in a process chain.

Activity

Group work
Divide students into groups of four or five and brainstorm for a product that could be made in Ireland and exported abroad.

Once the idea for the product is agreed upon, divide the group into two halves.

One half will present the idea to the class under the following headings: Product, Price, Place and Promotion. The other half will do a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) on the product.

Pair work – Market Research
Divide the class into pairs. Each pair will research current consumer trends amongst their friends and family.

In class, the pair will draft a questionnaire and at home they must get as many people as possible to fill in the questionnaire. The questionnaires will find out what kind of food people are eating, how many meals a day they eat, do they snack during the day, do they read the labels on what they buy etc. This pair will analyse their findings and make a presentation to the class.

Find out more
Visit: www.bordbia.ie