THE ROLE OF CHAMPION PRODUCTS IN ENHANCING EXPORT PERFORMANCE: A PREDICTION FOR TANZANIA’S EXPORT POTENTIAL

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ABSTRACT

Many countries including Tanzania strive to make export a primacy. However, competition in the global market is becoming severe hence necessitating countries to develop strategies to survive under such fierce trade war. One of the approaches to securing export competitiveness is country branding by developing export champion products. Based on the review of the success stories of champion products from a few selected countries, the study explores how champion products are developed and their possible impacts on export performance. The study reveals that behind every champion product development, there are stories about natural resources, people and/or their cultural heritages and should be difficult to copy. Moreover, the findings indicate that development of champion product requires consideration of its unique and appealing attributes for a particular foreign market niche. The paper concludes that export champion products play an indispensable role in promoting the country’s image and better export. The important prediction is that the availability of diverse cultural heritage resources in Tanzania may lead to development of several export champion products. It is therefore recommended that Tanzania should adopt the concept of champion product as one of the export promotion strategies to realize export competitive advantage in the premium foreign market. Additionally, a comprehensive research to identify resources with potentials to be developed to champion products is recommended.

Keywords: Champion Product, Foreign Market, Export Performance, Product Differentiation, Competitive Advantage, Export

INTRODUCTION

How to win the future is one of the biggest challenges facing every nation. Economic growth is a perennial challenge facing all of the world's countries, regardless of their level of economic development (Staff, 2008). There are many variables that contribute to economic growth. Export is considered as one of the very important accelerators of economic growth. The global economic trends make clear that successful countries are those that can reach and sell to consumers outside their national borders and around the globe. A vast body of literature points out that export has countless benefits for exporting firms and countries in terms of enhancing economic growth and activity, increasing the internal production, supplying foreign currencies, becoming growth accelerator, making favourable balance of trade, accumulating the foreign exchange reserves, increasing profitability and societal success, enhancing trade balances and industrial development, improving capacity utilization and productivity, providing employment and creating new job opportunities (e.g. Koksal, 2008; Langes & Montgomery, 2005). Accordingly, many countries are now making exports a priority by allocating more attention and resources in order to export their products to foreign markets.

As many countries strive to make export a primacy, the global market competition is increasingly becoming severe. To survive and thrive under such fierce trade war, countries are constantly developing strategies to realize a competitive advantage in the market. Yuzawa (2015) recommends that one of the approaches to creating a competitive edge in the export market is country branding by developing export champion products.
While some countries have attained a spectacular export take off through export champion product approach, an important prediction is that Tanzania can adopt the same approach to raise its image in foreign market. Currently, some of known export products creating a unique national image in the foreign market is tanzanite which is found and mined only in Tanzania (Mlozi & Pesämaa, 2016) and cloves (Kingu & No, 2014). Moreover, the Tanzanian economy is a treasure box of abundant natural resources, assets and diverse ethnic heritages potentially suitable to be developed as export champion products. However, the tactics of identifying and developing such products remain a challenge. This paper therefore, sheds light on the concept of champion product so as to establish a base upon which Tanzania can identify and develop competitive products for promoting a unique country’s export. The study presented in this paper conceptualizes the champion product development approach as it relates to promoting better country’s export.

**What is a Champion Product?**

Champion product refers to a unique inconspicuous product usually ranked top in the world market (Yuzawa, 2015). Quite often, such a product is inconspicuous, but holds an extremely large share in a niche market, and tends to sustain the top position in the world thereby contributing significantly to the countries’ exports (Yuzawa, 2015).

According to Yuzawa (2015), the seeds of developing these incomparable “only one and best one” products in the world lie in the natural resources and ethnic culture. He stresses that culture is converged in ordinary people’s life embracing the filtered essence of the past such as ethnical heritage as clothing, religious and social rituals, diet, natural heritage, home and personal materials, historical places and events, inherited music, dance, legend and poetry. He further advocates that every society has got something unique which can be used to develop a champion product. Thus getting tips about what makes them unique is very important. Sometimes good things of a particular country or society are taken without citizens’ notice as a result they are used to develop export champion products by other countries.

**THEORETICAL FRAMEWORK**

The understanding on the determinants of export performance in today’s growing global trade and fierce competition in the global market has become a major area of research in international marketing. A review of the export marketing literature reveals that product uniqueness is particularly one of the sources of competitive advantage in the export context (e.g., Filipe-Lages, 2004; Sousa, Martínez-López & Coelho, 2008). Their studies found that successful exporting firms offer products that provide a differential competitive advantage over alternative products while providing the customers with good value for money. The product facing competition from other countries in the international marketplace will only be successful if its features and benefits are credible and unique.

From economics and marketing perspectives, it is evidently known that product differentiation is an important strategy for firms to relax the toughness of competition. This means that certain country brands will appeal more to certain consumers. Owing to the dynamic character of the global marketplace, a brand can only be differentiated and generate brand equity in the long-term if the characteristics that it represents are different from those of its competitors (Aaker, 2012).

This paper draws on the discrete choice model of product differentiation to explain the mechanism of securing competitive advantage in the global market through champion product development approach. Proposed by Edward Chamberlin in his 1933 Theory of Monopolistic Competition, the discrete choice approach holds that in marketing, product differentiation is the process of distinguishing a product from others, to make it more attractive to a particular target market. This involves differentiating it from competitors' products as well as a firm's own product offerings. These differences may lead to competitive advantage if consumers perceive the difference and have a preference for the difference.

As affirmed by Sharp and Dawes (2001), differentiation is when a firm/brand outperforms rival brands in the provision of a feature(s) such that it faces reduced sensitivity for other features (or one feature). Thus, the long-
term success of the brand depends on the uniqueness of the brand attributes. If the attributes are not unique then other countries with similar attributes will try to mimic the brand with a country brand of their own.

Additionally, a review of the literature reveals that differentiating a product gives its producer more pricing power and even a degree of monopoly (e.g., Yang, 2010). Product innovation and specialization are the major ways in which products can be differentiated (Yang, 2010; Porter, 2011). Porter, (2011) asserts that a nation’s competitiveness depends on the capacity of its industry to innovate and upgrade. Innovation can be manifested in a new product design, a new production process, a new marketing approach, or a new way of conducting training.

It is important to predict that the idea of champion product development approach corresponds to Porter’s assertion that competitive advantage is created and sustained through a highly localized process. As stressed by Yuzawa (2015) the seeds of developing champion product lie in the ethnic culture. This is in line with Porter’s assertion that differences in national values, culture, economic structures, institutions, and histories all contribute to competitive success.

From the literature we recognize that product characteristics are the key determinants of export performance. To realize competitive advantage in the global market, product differentiation through innovation and specialization is crucial. Development of champion products can be a way of product differentiation that can raise the nation’s image in the foreign markets and hence improve export capacity. This paper examines how some countries attained a spectacular export take off in foreign markets through developing champion products.

**METHODOLOGY**

This paper is based on a review of available literature drawing on champion products in a few selected countries. The study examines how the countries under review attained a spectacular export take off in foreign markets through the sales of champion products. A narrative approach is used to analyze the findings. The study focuses on such products as luwak coffee from Indonesia, shea butter from West Africa, argan oil from Morocco, alpaca wool from Peru, and cashmere fibre from the highlands of Inner Mongolia. The study explores how these products attained a remarkable competitive advantage in the foreign market.

**CASES OF SUCCESSFUL CHAMPION PRODUCTS FROM A FEW SELECTED COUNTRIES**

In the light of what makes a product a champion, several products are worthy of being qualified as champion products. In this section we will take a look at a few selected champion products from some countries.

**Luwak Coffee**

Coffee is one of the most consumed beverages in the world, and is a world-wide trade commodity. But, do you know what the most expensive coffee in the world is? It is an Indonesian coffee called Luwak Coffee (also known as Kopi luwak), selling for between $100 and $600 per pound (Berthon, Pitt, Parent & Berthon, 2009). Luwak coffee has good sales in Japan, Taiwan, Europe, USA and South Korea.

Luwak coffee is produced in a natural and unique processing that involves a civet cat (Paradoxurus Hermaphroditus) called Luwak. Luwak is a tree-dwelling animal which picks the ripest and reddest coffee berries from the trees to eat. After going through its digestive system, the ultimate end products are the faeces discharged from the cat, which contain the coffee seeds. The seeds are then picked, cleaned, roasted and brewed into coffee called "Luwak coffee". It is believed that the acids and enzymes in the digestive tract of the Luwak give Kopi Luwak its unique flavour, aroma, texture, body smoothness and richness after roasting (Marcone, 2004; Martinez, 2007).

Usually, normal bitterness of coffee is one of the most common reasons why many people don’t drink coffee (Martinez & Balaban, 2009). The low bitterness of Kopi Luwak and its unique aroma are some of the attributes worthy of its high price.
Sheer Butter of West Africa
Shea tree (Vitellaria paradoxa) may not be well known in a global sense, but it certainly is well known in West Africa and remains among the most extensive resources. The Shea tree grows spontaneously in wooded savannas in West Africa, including Benin, Burkina Faso, Côte d’Ivoire, Ghana, Guinea, Mali, Niger, Nigeria, and Togo. Wild-sourced Shea butter from the Shea tree is one of the largest export products in West Africa. For example, in Burkina Faso, Shea butter is the fourth largest export product after gold, cotton and livestock and makes a contribution of about 6 million USD to the national economy (Bup, Mohagir, Kapseu & Mouloungui, 2014; Konat’e, 2012). In Ghana, Shea nuts and their products are listed among the top ten Non-Traditional Exports (Bup et al., 2014).

The amazing truth of Shea butter is a combination of its marketable attributes and countless benefits which give it many uses (Hatskevich, Jenicek & Darkwah, 2011). Traditionally, it has been used in the food industry for margarine, pastry, and chocolate, where it is used in place of cocoa butter. Increasingly, Shea butter is extensively used in cosmetics and pharmaceutics. It has become a popular additive in soaps, lotions, shampoos, and creams because of its inherent skin-healing properties (Hatskevic et al, 2011; Garba, Nwawe & Oisakede, 2011).

Over the past decades the market for shea nuts and butter has been on a constant rise because of increased demands in the European Union, Japan, India, Canada and the United States (Bup et al., 2014). Marketing of shea and its products is done both domestically and internationally. Despite the conflicting reports on the quantities sold both in the local and international markets, it is estimated that in 2007, six major companies in the international market in the European Union and the USA bought 60% of the nuts and half of the butter produced (Bup et al., 2014). Bup et al. (2014) noted that while importations of shea into the European Union are both for food products and cosmetics, importations into the USA is solely for use in cosmetics. The sales of shea butter have had significant positive consequences on the economic and social status of the local women who are the main stake holders (95%) in the processing of shea (Bup et al., 2014).

Argan Oil of Morroco
Argan Oil is precious and rare oil extracted from the fruits of the Argan tree (Argania Spinosa), which is exclusively endemic to a region in Southwest Morocco. The amazing truth of the Argan tree is its ecological and social values that make it one of North Africa’s most precious tree species. In 1999, UNESCO added the Argan tree to the world heritage list. This 100% pure, totally organic Argan Oil contains no artificial colouring or preservatives and offers numerous cosmetic and medicinal properties (Charrouf & Guillaume, 2010).

World-wide, it is gaining a reputation both as an ingredient in high-end, personal-care products and as a heart-healthy gourmet product (Durgun, Serin & Şahin, 2014). In Morocco, edible argan oil is used to dip bread in at breakfast or to drizzle on couscous or pasta. It has been reported that daily consumption of argan oil has a beneficial impact on human health such as prevention of various cancers, cardiovascular diseases, and obesity (Charrouf & Guillaume, 2010). Many of argan oil’s specific health benefits are attributed to its unique savor and multiple pharmacological properties such as antiproliferative activity and composition of unsaponifiable matter (Guillaume & Charrouf, 2011). Traditionally, Moroccans use unroasted argan oil to treat skin diseases, and as a cosmetic oil for skin and hair. In cosmetics, argan oil is advocated as moisturizing oil, against juvenile acne and flaking of the skin as well as for nourishing the hair. This oil has also medicinal uses against rheumatism and the healing of burns (El Babili, Bouajila, Fouraste, Valentin, Mauret & Moulis, 2010).

Morocco’s argan oil is now the most expensive edible oil in the world (Lybbert, Aboudrar, Chaloud, Magnan & Nash, 2011). High-value argan markets and the increasing popularity of argan oil have prompted the Moroccan government to plan for increased production, with their aim being to increase annual production from approximately 2,500 to 4,000 tonnes by 2020 (Siegle, 2012).
**Peruvian Alpaca Wool**

The raising of alpacas is a vital part of the Peruvian weaving process. The alpaca has long been bred for fibre. Alpaca wool is of its kind on the natural fibre world. It is a luxury fibre for global brands and a popular alternative to wool and fur. Some of the textile properties of alpaca wool that make it a favourable material for luxury brands and differentiate it from other fibres include non-flammability, elasticity and strength, hygroscopic properties, visual texture, wide colour range and thermal insulation (Fitzgerald, 2015).

The qualities of alpaca wool make a variety of products produced out of it enjoy prestigious positions in the domestic and international markets. China, Japan and Italy are the top importing countries of Peruvian alpaca wool (Fitzgerald, 2015).

**Inner Mongolian Cashmere**

Kashmir goat is a well-recognized species of goat popular for its valuable produce called cashmere fibre also known as pashmina. The major Kashmir breeding countries are China, Iran, Russia, Afghanistan, Turkey and India. However, it is worth to note that the breeding tract of the most beautiful and most prestigious cashmere fibre in the world is in the highlands of Inner Mongolia, in China, a territory with a very harsh climate (Shakyawar, Raja, Kumar, Pareek & Wani, 2013).

Among the animal fibres, Inner Mongolian Cashmere has unique attributes of warmth, lightness, fineness and better ability to absorb dyes and moisture compared to other fibres. Thus, the fibre is widely used to produce different aesthetic product like knitwear, scarves, blankets, gloves, hats, woven fabrics, outer coats, carpets, etc (Shakyawar et al., 2013). The top importing countries of cashmere fibres are Italy, United Kingdom and Japan (Berger, Buuveibaatar & Mishra, 2013).

**DISCUSSION**

Based on the review of the success stories of a few selected cases of products qualified as champion, discussion is hereby done in line with the objectives of the paper. The paper seeks to explore how champion products are developed and their social economic impact.

**Development of Champion Product**

The findings based on the literature review show that behind every champion product development, there are stories about natural resources, people and/or their cultural heritages. For instance, Moroccans traditionally use unroasted argan oil to treat skin diseases, and as a cosmetic oil for skin and hair. It is in the light of this amazing truth that argan oil has become increasingly popular for cosmetic use. Likewise, the uniqueness of Luwak coffee is attributed to a form of processing rather than a variety of coffee.

The findings are in line what Yuzawa (2015) advocates that the seeds of developing champion products lie in ethnic culture. Just as every culture has time honoured traditions that make its heritage unique, the important prediction is that the diverse cultural heritage resources of Tanzania may lead to development of several champion products. This affirms the conception that such cultural heritages as the practices, representations, knowledge, skills, instruments, objects, artifacts and cultural spaces are crucial components to be taken into consideration while developing a champion product.

In addition, the findings indicate that development of champion product requires consideration of its unique and appealing attributes. For instance, the amazing truth of Luwak coffee is its unique flavour, aroma and texture. As a result it has secured a competitive advantage in the global market. This supports the discrete choice theory in that competitive advantage is realized when consumers perceive the difference in your product and have the preference for such difference. Thus, the long-term success of the brand depends on the uniqueness of its attributes. Producers can therefore create their competitive edge by finding different ways of being unique in the marketplace. By differentiating their product, service, personnel or brand, they can establish a unique position in the market. In today’s crowded market, many products can more easily mimic each other in terms of their attributes and offered benefits. To distinguish your offering in the market and create a competitive edge,
Yuzawa (2015) suggests the following strategies: (1) be first in the market before others take advantage of your resources or assets (2) focus on one particular niche to develop market specialization (3) understand the persisting problems of your target consumers and ensure that your product offers better solution.

The findings also reveal that the preference of the champion product is attributed to its ability to appeal to consumer needs and concerns. Each of the champion products under review has gained a prestigious preference based on its attributes that make it a vital solution of consumers’ problems. It is evident that beauty, healthy aging, and safety are among today’s persistent consumers concerns. In a January 20, 2015 article by USA Today reporter Bruce Horowitz which surveyed more than 30,000 consumers in more than 60 nations revealed that younger consumers are far more concerned about everything from food ingredients, genetically modified food to organic foods than previous generations (Watson, 2015). An obsession with healthy and clean eating seems to be the order of the day. More than four out of ten individuals polled in group of men and women younger than 20 years old indicated that they would be willing to spend more money for healthier products as opposed to 32 percent of millennial, and 21 percent of baby boomers (Watson, 2015).

Thus, when developing a champion product, the producer should identify important features/benefits used in making purchase decisions. The overall ranking of these features must be determined by importance which is in turn related to the uniqueness of the features.

Impact of Champion Product
The findings reveal that champion products have noticeable impact and implications on the country. Based on the products under review, the following observations were made. First, exporting countries of champion products have gained a prestige in the global market for being the sources of unique valuable/best products. Thus, champion products enhance a country image. The way consumers perceive the product has a positive or negative implication on the image of the country producing or trading it. For example, Japan is known for high quality manufacture products while Germany is known for durable engineering products.

Secondly, champion products have evident social economic impact. They promote country’s export hence contributing to economic growth of the exporting countries. In Morocco, for example, the labour-intensive nature of argan oil production, now frequently carried out by women's cooperatives, has provided a steady income for many women and their families, improved the social status of some women and has encouraged producers of other agricultural products to examine the co-operative model.

The production of argan oil has also noticeable environmental impact. Argan oil production means that argan trees are now seen as a valuable resource. This has led to their preservation with a secondary impact on the environment.

CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS
Conclusion
This paper had two key objectives. The first objective was to explore how champion products are developed. The findings revealed that successful development of a champion product requires consideration of cultural heritage resources, unique and appealing attributes of the product(s) and consumer needs or concerns. It has been found that competitive advantage of the champion product in the target is guaranteed when consumers perceive the differences in the product and develop preference for such differences.

Objective two of the paper was to examine the impacts of champion products. From the findings it has been found that champion products promote the country’s image and better export.

It can be concluded that the basis for a competitive advantage often lies in the resources and abilities that are already available, even though the resources may not initially be recognized. Thus, it important to begin by taking a critical look at the existing resources and their attributes that can offer them chances to qualify as champion products.
Implications
The findings in this paper reveal some implications for export promotion in Tanzania. The findings of the study have concurred with several previous studies which demonstrate that successful exporting firms are those offering products that provide a differential competitive advantage over alternative products. Thus, by adopting ‘Champion Product’ as one of export promotion strategies can play indispensable role to enhance Tanzania’s image and help our products to enter in the premium market.

With abundant natural resources and diverse cultural heritages, there exist countless hidden potential champion products in Tanzania. Thus, a comprehensive research is needed to identify resources/assets having potentials to be developed to champion products. By conducting such a comprehensive research and thus extracting traits unique to hidden champions as well as their potential secrets of success we can build confidence and attitude of Tanzanian entrepreneurs in their endeavours to identify business opportunities. Furthermore, the research findings will offer recommendations to guide future product development and marketing strategies.

Recommendations
In the light of the study findings, the author recommends the following:

Recommendations for action

a) The government should adopt the concept of champion product development and establish a champion product strategy as one of the key pillars toward implementation of the national trade policy for a competitive economy and export led economy. More emphasis on encouraging Tanzanians to focus on producing what the market demands rather than trying to sell what one has produced to the market should be give the seriousness it deserves.

b) The government should facilitate several forms of research related to identification of potential champion products, their development and marketing. This can be successfully achieved through government, industry and academia partnership.

c) Meetings and seminars with stakeholders including government officials, producers, processors, innovative entrepreneurs and traders should be organised to raise awareness and understanding of the concept of champion products and thereby discuss strategies of identifying, developing and marketing them.

d) Trade fairs should focus more on promoting made-in Tanzania high-quality products. Products with potentials to be developed to champion products must be displayed at various trade fairs to inspire Tanzanians toward identification and development of champion products. This will also excite Tanzanians toward the goal of exporting high-quality Tanzanian goods to the world market.

Recommendations for research
Development and marketing of champion products must be preceded by a research to identify resources with potentials to be developed to champion products. Hence, the author recommends such a research. However, the research should along with a comprehensive investigation of the business trends in the global market in terms of needs, demand and concerns of the potential consumers. Based on the findings from the literature review in this study, the conceptual model depicted in Figure 1.0 is developed to guide the the empirical study to identify resources or assets with potentials to qualify as export champion products in Tanzania. The model has been developed in consideration of the uniqueness of the appealing features of the product(s) and the needs or concerns of the target foreign market. The model proposes the following criteria for a particular product to qualify as an export champion product: (1) its development should be rooted in cultural heritages of a particular Tanzanian society, (2) its attributes should be unique and difficult to copy, and (3) it should offer better solution to consumers’ problems in a particular target foreign market.
Figure 1.0: Conceptual Model for Identifying Export Champion Products in Tanzania

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