Consumer Survey on Improved Packaging and Presentation on Ofada Rice

By

Research International Market Trends

October 2009
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CONSUMER SURVEY ON IMPROVED PACKAGING AND PRESENTATION OF OFADA RICE

FINAL REPORT

PROMOTING PRO-POOR OPPORTUNITIES THROUGH COMMODITY AND SERVICE MARKETS (PrOpCOM) PROGRAMME

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SECTION 1: BACKGROUND INFORMATION

1.0 BACKGROUND

Rice is the staple food in most African countries and as such constitutes a major part of diet amongst most of the foods that are eaten. In Nigeria, rice has become so prominent, that the average meal in a day will predominantly contain a meal of rice or a meal made with rice being the base ingredient.

As such, the consumption of rice has since the mid-1970s risen tremendously, at about 10% per annum. This figure according to research is predominantly due to changing consumer preferences thereby accounting for a large chunk of the Nigerians' food basket.

Rice, indeed, is no longer a luxury food in Nigeria and has become a major source of calories for both the rich and the urban poor. e.g., the poorest third of urban households obtain 33% of their cereal-based calories from rice, and rice purchases represent a major component of cash expenditures on cereals (World Bank, 1991).

As compared to other cereal food items, rice is easy to prepare, hence, Nigerians have found different use for the product, ranging from direct cooking (and consumption), to grinding into powder form, to making it into a paste as a morsel meal. Indeed, its usage/consumption cuts across different tribes in the country.

Nigeria, though naturally endowed, has been unable to produce enough rice for domestic need of her ever growing population and the gap between demand and domestic supply has further been widened by the decades of growing importance of the commodity among households across the length and breadth of the country.

In other words, domestic production has never been able to meet the demand. The demand for rice in Nigeria has been estimated at 5 million tons per annum with domestic production only accounting for 3 million tons, resulting in a deficit of 2 million tons.

Expectedly, the market is flooded with different players; both locally made and imported brands. The imported brands are usually bagged in different sizes; more of bigger sizes, for further measurements at the retail level. While the locally produced types of rice, including Ofada rice and Abakaliki rice, are not as readily available as the imported rice due to the low production capacity of Nigeria’s local rice production initiatives, thus resulting in the scarcity of the product, especially of the more popular type of local rice, “Ofada Rice”.

Ofada rice is aromatic rice, rendered aromatic, principally by several days of fermentation during the parboiling process. Ofada rice is grown in Ogun, Osun, Ekiti and Lagos States. It is mostly consumed in the Southwest due to its geographical production and the inefficient distribution within the country.

Promoting Pro-Poor Opportunities in Commodity and Service Markets (PrOpCom) is an innovative project funded by the Department for International Development of the United Kingdom (DFID) to facilitate functionality and efficiency of Nigerian commodity and service markets in such a way as to assure these markets benefit the poor.

In December 2006, PrOpCom conducted a study by an indigenous research agency, tagged, “The Ofada Rice Attributes Evaluation Study” (www.propcom.org). Results from this study showed that the consumers’ major attraction to Ofada rice include:

1. The unique taste and aroma,
2. Nutritious quality and at an emotional level,
3. Its indigenous connection with their origin.
There was a major dislike for the presence of foreign matters (dirt, stones and chaffs) in Ofada Rice. An effective way to address this disincentive to purchase the product by consumers, different brands of manually cleaned and packaged Ofada rice exist in the market, with packages ranging from either boxes of 500g, 800g, 1kg or polythenes of 2kg and 5kg.

According to the report as made available by client, Ofada rice market is also plagued with other problems, including adulteration and misrepresentation. However, there are opportunities to upgrade the marketing of Ofada rice as a high value product through:
- Improved packaging and presentations;
- Use of industry trademark; and
- Winning marketing tactics.

The Ofada Rice Demand Study conducted in April 2007, also showed that average volume consumption per household per month in Southwest and Abuja had become more intense, inferring an increased perception of Ofada as a regular meal and a healthier alternative to imported rice. This presents a strong prospect in volume increase amongst rice consumers within the Southwest and Abuja, which can be achieved through better packaging, presentation and innovative marketing campaigns amongst Ofada rice marketers.

For the marketers to successfully innovate and maximize opportunities, they need to be informed on their consumers’ preferences.

Thus, the need for PrOpCom to conduct a study that will adequately address ways of improving packaging and presentation of Ofada Rice amongst producers.

Detailed in this report are findings from the first phase qualitative approach to the study.

2.0 TERMS OF REFERENCE

The terms of reference (TOR) for this survey were to:

- Assess the various ways in which the value chain for Ofada rice can be enhanced through improved packaging and presentation of Ofada rice.

It is anticipated that value addition of Ofada rice can deliver a significant increase in value to the end producers/ farmers who are engaged in Ofada rice production. A better packaged and refined Ofada product is able to offer a higher price value to the traders in the value chain who are then expected to cascade the returns to the local producers, usually the small scale farmers in the rice producing communities.

3.0 STUDY OBJECTIVES

The study objectives were as follows:

- Conduct a detailed consumer survey on packaging and presentation of Ofada rice among traders in Lagos and Ogun states, namely:
  - Retailers
  - Wholesalers.
- Establish consumer perceptions of Ofada rice with emphasis on the following attributes:
  - Healthy and natural
  - Distinct taste and aroma
  - Emotional values of Ofada rice based on origin of rice
• Connecting consumers to their origins (Nigerianness)
• Establish the price consumers would be willing to pay for the perceived value of Ofada rice with the above attributes.
• Assess the commodity stocking habits of the high end retail outlets i.e. select supermarkets in Lagos and Ogun state with the aim of establishing what determines their product shelf positioning.
• Facilitate an advisory workshop/session after the survey in order to:
  o Disseminate the outcome of the survey on how to improve Ofada rice packaging and presentation can increase value and volumes.
  o Share information from the survey on possible packaging options preferred by potential and current consumers.
  o Effective means of reaching target consumers with Ofada rice brand communication.
  o Offer insights on how trade and consumer promotions could be used to promote increased sales.
• Submit a final report on:
  o The end consumer survey
  o The advisory session/stakeholder workshop
• Establish key drivers and motivations for consumer preference of Ofada rice.
• Gauge consumer perceptions of current Ofada rice health benefits and nutritional value.
• Understand motivations for traders stocking of Ofada rice in their stock lists.
• Establish rates of stock movement of Ofada rice per day/week and month.
• Establish current retail prices of Ofada rice.
• Investigate how Ofada rice is measured in the market/retail outlets.
• Understand how Ofada rice is prepared and consumed by consumers by getting details of:
  o Who prepares
  o Who buys
  o When do they buy
  o From where do they buy
  o Quantity of rice bought
• Establish relevance of various trade channels in getting the Ofada rice to the market.

4.0 METHODOLOGY
This study was conducted using two principal methodologies; Qualitative and Quantitative methodologies. The first phase of the study, was a qualitative approach comprising of focus group discussion and in depth Interviews used for data gathering across the two sample locations – Lagos and Abeokuta. The qualitative approach was adopted based on the premise that it would help in better understanding consumer preferences, their shopping habits of Ofada rice as well as to assist in establishing their preferences and reactions to package improvement of Ofada rice packaging and presentation.

Whereas the focus groups were conducted mainly amongst end consumers to gauge perceptions of product and expectations of packaging, the in depth interviews on the other hand were conducted amongst traders to offer insights on handling Ofada rice as a trading commodity.

The Quantitative part of the study was conducted using face to face interviews by use of structured questionnaires. The quantitative questionnaires were designed to capture the quantitative objectives of the study. The quantitative part of the study was intended to offer relative market sizes, and most importantly, the extent of the issues around Ofada rice in the selected markets i.e. Lagos and Ogun states.
SAMPLING:

4.1 Qualitative sample selection
Respondents for the focus group discussion were selected based on the following criteria:

- Gender – split between adult males & females
- Age – split as follows:

Sample for the IDI was drawn from retail outlets and recruited based on the criteria:

- Traders of cereal products
- Estate / Medium – sized supermarket (must stock rice)
- Large supermarkets (established chains), stocking rice

4.2 FGDs detailed sample breakdown
A total of 8 focus groups were conducted in Lagos and Abeokuta. The detailed breakdown is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Gender</th>
<th>Age</th>
<th>Social Class</th>
<th>Sample description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Female</td>
<td>24-30</td>
<td>B, C1</td>
<td>Must be users of Ofada rice - regularly consume Ofada rice as part of their meals</td>
<td>Lagos</td>
</tr>
<tr>
<td>2.</td>
<td>Female</td>
<td>31-45</td>
<td>C1 C2</td>
<td>Are aware of Ofada rice but do not consume it as a regular part of their meals (i.e. occasional consumption).</td>
<td>''</td>
</tr>
<tr>
<td>3.</td>
<td>Female</td>
<td>20-23</td>
<td>C1</td>
<td>Must be users of Ofada rice - regularly consume Ofada rice as part of their meals</td>
<td>''</td>
</tr>
<tr>
<td>4.</td>
<td>Male</td>
<td>30-45</td>
<td>B C1</td>
<td>Must be users of Ofada rice - regularly consume Ofada rice as part of their meals</td>
<td>''</td>
</tr>
<tr>
<td>5.</td>
<td>Female</td>
<td>24-30</td>
<td>B, C1</td>
<td>Must be users of Ofada rice - regularly consume Ofada rice as part of their meals</td>
<td>Abeokuta</td>
</tr>
<tr>
<td>6.</td>
<td>Female</td>
<td>31-45</td>
<td>C1 C2</td>
<td>Are aware of Ofada rice but do not consume it as a regular part of their meals (occasional usage).</td>
<td>''</td>
</tr>
<tr>
<td>7.</td>
<td>Female</td>
<td>20-23</td>
<td>C1</td>
<td>Must be users of Ofada rice – regularly consume Ofada rice as part of their meals</td>
<td>''</td>
</tr>
<tr>
<td>8.</td>
<td>Male</td>
<td>30-45</td>
<td>B C1</td>
<td>Must be users of Ofada rice - regularly consume Ofada rice as part of their meals</td>
<td>''</td>
</tr>
</tbody>
</table>

4.3 IDI detailed sample breakdown
A total of 17 In-depth interviews have been conducted so far, the 7 outstanding interviews are ongoing and will be completed before the completion of the quantitative phase. The detailed breakdown of the IDIs is as follows:

### IN-DEPTH INTERVIEWS, LAGOS

<table>
<thead>
<tr>
<th>Type of Outlet</th>
<th>Approx. total sales per month in Naira</th>
<th>No. of In-depth interviews</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large supermarkets</td>
<td>More than 25 million per month</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Medium estate supermarkets</td>
<td>500,000 – 2 million per month</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Small scale cereals traders</td>
<td>150,000- 400,000 p/m</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Marketers</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

### ABEOKUTA

<table>
<thead>
<tr>
<th>Type of Outlet</th>
<th>Approx. total sales per month in Naira</th>
<th>No. of In-depth Interviews</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large supermarkets</td>
<td>More than 25 million per month</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medium estate supermarkets</td>
<td>500,000 – 2 million per month</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Small scale cereals traders</td>
<td>150,000- 400,000 p/m</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Marketers</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

**TOTAL IN-DEPTH INTERVIEWS**

24 24

### QUANTITATIVE SAMPLE:

The quantitative sample was designed to include both consumers and traders of Ofada rice. The detailed sample design was as follows:

A total of 1,200 interviews of the end customers/ consumers of Ofada rice and competition was interviewed. The trade part of the quantitative phase comprised of 150 traders. The detailed sample was split as follows:

<table>
<thead>
<tr>
<th>Consumer panel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample description</td>
</tr>
</tbody>
</table>
| Consumers of Ofada rice, and must be shopping from either the Supermarkets, estate shops or open markets. | 1,200 | Male- 30%  
Female- 70%  
B C1- 20%  
C2 – 80% |

<table>
<thead>
<tr>
<th>Detailed sample split</th>
</tr>
</thead>
<tbody>
<tr>
<td>S/N</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
</tbody>
</table>

The sample was split among male & female consumers on a 70:30 basis between male and female consumers.
Trade interviews detailed sample:

<table>
<thead>
<tr>
<th>QUANTITATIVE TRADE INTERVIEWS</th>
<th>Type of Outlet</th>
<th>Appx. Sales p/m in Naira</th>
<th>No. of interviews</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Large supermarkets</td>
<td>More than 25 million p/m</td>
<td>10</td>
<td>Lagos</td>
</tr>
<tr>
<td>2.</td>
<td>Medium estate supermarkets</td>
<td>500,000 – 2 million p/m</td>
<td>30</td>
<td>&quot;</td>
</tr>
<tr>
<td>3.</td>
<td>Small scale cereals traders</td>
<td>150,000-400,000p/m</td>
<td>35</td>
<td>&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Outlet</th>
<th>Appx. Sales p/m in Naira</th>
<th>No. of In-depth interviews</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Large supermarkets</td>
<td>More than 25 million p/m</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Medium estate supermarkets</td>
<td>500,000 – 2 million p/m</td>
<td>35</td>
</tr>
<tr>
<td>3.</td>
<td>Small scale cereals traders</td>
<td>150,000-400,000p/m</td>
<td>40</td>
</tr>
</tbody>
</table>

**TOTAL IN-DEPTH INTERVIEWS** | **150**
SECTION 2: DETAILED REPORT OF FINDINGS

PART 1: CONSUMER SEGMENT

5.1 CONSUMERS PERCEPTIONS OF OFADA RICE

- Ofada rice is positively perceived across the sampled respondents both in Lagos and Abeokuta. However, perceived expensiveness and stress associated with its preparation due to presence of particles and dirt appear as the major concerns amongst consumers. Below are consumers top of mind associations with Ofada rice:

**Positive associations**
- Nourishing food
- Unique taste
- Pleasant aroma
- Local / traditional food
- Special food for special occasions

**Negative associations**
- Expensive
- Stressful to prepare
- Soggy / sticky **
- Not preservable
- High starch content **

<table>
<thead>
<tr>
<th>Positive perception of Ofada rice- by locations</th>
<th>Base</th>
<th>Lagos</th>
<th>Abeokuta</th>
<th>Shagamu</th>
<th>Ijebu-Ode</th>
<th>Ifo</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has a unique taste</td>
<td>70</td>
<td>52</td>
<td>82</td>
<td>91</td>
<td>70</td>
<td>94</td>
</tr>
<tr>
<td>It has more nutritional value</td>
<td>55</td>
<td>52</td>
<td>75</td>
<td>64</td>
<td>24</td>
<td>66</td>
</tr>
<tr>
<td>It is locally made</td>
<td>55</td>
<td>53</td>
<td>66</td>
<td>62</td>
<td>42</td>
<td>52</td>
</tr>
<tr>
<td>It has a pleasant aroma</td>
<td>49</td>
<td>29</td>
<td>71</td>
<td>80</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>It swell more than others</td>
<td>35</td>
<td>35</td>
<td>20</td>
<td>73</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>It is easy to cook</td>
<td>22</td>
<td>25</td>
<td>19</td>
<td>54</td>
<td>10</td>
<td>1</td>
</tr>
</tbody>
</table>

The uniqueness of Ofada rice is perceived to be the strongest driving force for the purchase of Ofada rice by the majority of the Ofada rice consumers. However, the findings from across the study locations indicate that Ofada rice is not easy to cook as only 22% of the consumers interviewed claimed it was easy to cook. Only consumers in
Shagamu area claimed to find it easy to cook Ofada rice where up to 54% of them claimed to find it easy to cook.

**Production and preparation:**

The preparation of Ofada rice from the production process to the preparation for the market is felt to be a challenge in the availability of Ofada rice in the markets. Whereas the Ofada rice marketers claim the low availability of the rice is due to the handicaps faced by farmers, from lack of pesticides to expensive farm inputs and labour, the traders on their part felt that Ofada rice is not adequately prepared and presented as a product that consumers can readily identify with. The product has been left to take a simplistic preparation form by those interested in trading in the rice. The net result has therefore been that product has not found its way into the formal trade outlets in meaningful quantities that can justify the requisite monetary value of the price in the market.

The mechanical preparation of Ofada rice from the point of production to the time it gets in to the market renders the rice uneconomical to sell and break even for farmers and to traders. The trade side of the Ofada business sees the crude processing of Ofada rice as a barrier to its uptake in high volumes. Overall, there is a concern that Ofada rice is stony hence the crude nature of the product contributing to its unfavourable demand by majority of the consumers. Traders also feel the display of the rice in their shops does not attract consumers, safe for limited numbers of these consumers who go for it for its perceived intrinsic nutritional value.

Incidentally, Ofada rice close to the production areas seems to be perceived as more unprocessed than in end markets in core urban centres like Lagos. However, traders in Lagos claim the Ofada rice they sell is semi-processed hence the high price premium charged by most traders. It is hence notable that up to 77% of consumers in Lagos perceive the price of Ofada rice as being very expensive.

**Perceptions of Ofada rice among consumers.**

Research International Market Trends’ initial market hypothesis shows that Ofada rice marketing is not conducted in a haphazard way in the market. Most marketers do not have well defined distribution networks hence hampering the effective marketing drive for the Ofada rice. Other hypotheses that were confirmed by the trade and consumer research were:

- The proliferation of counterfeit Ofada rice.
- Poor quality packaging of Ofada rice.
- High pricing
- Poor quality products

**Nourishing food**
- Perceived naturalness and unpolished association with Ofada rice currently influences a strong belief in the nourishing/health benefit of the food product. Though majority admitted that they consume the foreign rice more regularly due to their relative convenience during preparation, they are however perceived as lacking nutrients or value as opposed to Ofada rice. The perception that Ofada rice is natural and nourishing consequently drives a feeling of satisfaction amongst the majority of the respondents:
  - “Unlike the foreign rice, whenever I eat Ofada rice, I feel I have eaten well...when am eating the foreign rice I just know that I am eating just for eating sake, but with Ofada rice it’s not so. That one, you will feel you are eating food because it’s nutritious and you will feel it in your body” – (Male, 30-45, BC1, Regular consumer of Ofada rice, Lagos)

Local / traditional food
- The local origin of Ofada rice is also a key positive association as it tends to ignite a sense of national pride amongst the respondents – ‘consuming something that is ours’ – aside from this, the local association tends to strengthen the consumers’ confidence in the value of Ofada rice as the naturalness is not in doubt.

Special food
- Due to the perceived expensiveness and stress involved in its preparation, majority of the sampled respondents now tend to see Ofada rice as a very special and occasional food prepared only when they have sufficient time and all necessary condiments and food products needed for the sauce are complete. In Abeokuta, the perception of Ofada being a special food is even stronger and this is largely influenced by its association with ‘big and special occasions’ within the city.
  - “Nowadays in Abeokuta you will see Ofada rice mostly in all these big parties by the rich...people treat it as a special food...it’s not meant for the common people because it’s very expensive and time consuming...even the sauce is special, it’s not common like the normal stew that we make” (Female 31 – 45yrs, regular consumers of Ofada rice, Abeokuta)

- As a result of this perception, it is evidently clear that the consumers’ preference for Ofada rice, aside from the nourishing association which is a key motivator, is partly driven by their need to indulge. It is not seen as an everyday food because of the pricing perceptions and perceived stress involved in the preparation. The sauce also contributes to this perception as it’s seen as different from the regular sauce / stew prepared for rice. As a result of this perception, occasional consumption of Ofada rice is seen as a way of treating oneself to something special.

Stressful to prepare
- Across the groups, Ofada rice is perceived as unfriendly in terms of preparation. This is driven by the stress of sifting and followed by the several stages that range from washing to parboiling and to monitoring of the cooking time since it must be cooked within a very short time. However, the major pre-preparation bottleneck is the process of sifting especially amongst consumers who buy the unpacked / measured ones.

Soggy / Sticky
- Perception of Ofada rice being soggy or sticky by the sampled respondents is however not consistent across groups. The perception is common mainly amongst a few respondents mostly the younger ones. However, since the perception is not
consistent, it’s likely then that preparation of Ofada rice is still a challenge for a few respondents.

**Not preservable**
- Most of the sampled respondents see Ofada rice as relatively unfriendly in terms of being able to last long when cooked. Their perception is that unlike the polished rice, Ofada rice is mostly uneatable when kept till the next day as it either becomes soggy or without the traditional pleasant taste. As a result of this perception, most of the consumers tend to prepare Ofada rice based on a quantity that will last only a day.

**High starch content**
- For the sampled respondents especially in Lagos, perceived high starch content of Ofada rice is a dislike as high starch content is perceived to be harmful to the body. Though this does not seem to pose an entry barrier since it is addressed through parboiling, but the process of removing the starch is seen to be hectic. Again, for most of the respondents, the perceived high starch content in Ofada rice is seen as the major cause of it being soggy / sticky when cooked, especially when the parboiling is not done properly.

5.2 **CONSUMER MOTIVATIONS TOWARDS OFADA RICE**
- Motivations to Ofada rice varies across the sampled respondents. While some are attracted to the food product by the sauce, a few others claimed to be motivated towards it by the aroma of the rice itself, and yet others by other things associated with Ofada rice. To effectively understand consumers’ motivations towards the food product, this will be reported at two levels – functional drivers and emotional drivers:

*3 key functional drivers of consumers’ preference for Ofada rice:*

a. **Perceived health / nourishing benefit of the rice** - for the majority of the regular consumers of Ofada rice, associated naturalness of the food product confirmed by its unpolished nature is a major motivation. However, the health / nourishing benefit as a motivator towards Ofada rice tends to be strongest amongst the older sampled respondents, who are becoming more health conscious, and as such have a growing preference for foods that are perceived as containing less starch.

b. **Pleasant aroma of the rice**

c. **Pleasant taste of the sauce**
Key consideration in the purchase of Ofada rice

- It is satisfying: 60%
- The aroma is pleasant: 51%
- It gives the right mouth feel: 47%
- It offers nutritional value: 40%
- It is a premium rice: 28%
- It offers value for money: 28%
- It is well refined: 21%
- Very attractive packaging: 19%
- It is always available: 19%

It is satisfying (60%) and pleasant aroma (51%) top as the key motivator for the preference of Ofada rice

Distribution:

The distribution of Ofada rice is felt to be the most important barrier to Ofada rice uptake by most consumers. The unavailability of the product, mainly as a result of inconsistent market accessibility options and the limited nature of the product which is season based have contributed in making Ofada rice be a rare and expensive option of rice in the market. Only 19% of consumers interviewed found the rice readily available for purchase at any one occasion.

The distribution network poses a major challenge to the purchase of Ofada rice as many consumers complained of non availability (i.e. Scarcity of brand) since most of the time the commodity is not available in the open markets where up to 85 to 90% of the consumers do their purchases.

Whereas the bulk of Ofada rice volume sales tend to go through the informal open markets, it is worth noting that the more presentable and aesthetically superior Ofada rice brands are limited to the formal retail channels which contribute low volumes in sales. This is corroborated by the retailers in the open markets and formal outlets who confirmed that the bulk of Ofada rice volumes tend to go through the informal trade channels.

The challenge noted from the trade channels is the less established distribution channels which tend to be exploited by other players in the middle, hence contributing to the high retail prices offered to consumers at the retail level, while the farmers (source) only gets a small fraction of the total amount.

Unlike the more established Fast moving consumer goods (FMCG) Trade and distribution channels, Ofada rice distribution is weak and taken advantage of by middle men who offer less to the farmers. Up to 90% of the respondents in the study claimed to purchase their Ofada rice from the open markets. This then suggests that the static nature of the product’s place of availability is limiting to any consumer who would wish to have the commodity within his/her neighbourhood. This factor renders the required effort in accessing Ofada rice time consuming and expensive in the long run. Sustaining the commodity as a regular consumption food item would require some amount of calculated effort, from planning to travel to the open markets, to preparation and also raising required amounts to justify the time and effort of going to the market.
Mushin market in Lagos state alone accounted for more than 50% of Ofada rice sold in Lagos, perhaps this is largely due to high shipment to this particular market. Other markets accounted for less than 40% of ofada rice sold in Lagos.

**Key emotional drivers of consumers’ preference for Ofada rice**

a. **Traditional association** – this is strong amongst the respondents but stronger in Abeokuta. Majority of the respondents demonstrated a *feel good* attitude in the consumption of rice that is theirs.

   – “there is this feeling I get eating Ofada, I can’t really explain it, that feeling of eating something that is 100% our own, I feel good within me” *(Males, 30-45yrs, Lagos)*

b. **Indulgence / special treat** – the perception of it being a special food coupled with the enjoyment associated with the sauce, tends to drive consumers preference and ultimately creates a feeling of treating oneself well.

5.3 **CONSUMPTION OF OFADA RICE**

Across groups, consumption of Ofada rice appears to be low as the preparation is mostly occasional due to the time consuming association. For most of the respondents, the food most times fits into their weekend cooking schedule or during special occasions.

In terms of consumption, it is mostly taken alongside the sauce and served on a plate. Though majority of the respondents expressed liking for Ofada rice served in a leaf as it further enhances the aroma and taste of it, serving the rice without leaf is a common practice in-home for most of the respondents.

5.4 **PREPARATION OF OFADA RICE**

There is no universal preparation process of Ofada rice amongst the sampled respondents. Apart from the pre-preparation sifting which is consistent across the respondents, the later stages tend to vary from respondents to respondents.

*Preparation processes identified across groups are as follows:*

a. Pour in a tray and pick particles → pour in a bowl and wash → parboil for some minutes to rid it of starch content → sift a second time to residual particles → cook finally for some short time.

b. Pour in a tray and pick particles → pour in a bowl and wash water and salt to remove the starch content and dirt → cook with onions to enhance the taste and aroma.

c. However, the first stage is eliminated when dealing with the branded / packed Ofada rice i.e. picking of particles

For most of the respondents, preparation of Ofada rice is done either by the mother, the children or even the husbands. A few of the younger female and older male respondents admitted that they prepare Ofada rice themselves, however claims of mothers being the major person responsible for the preparation is very strong across the groups.

However, due to perceived difficulty in the preparation of Ofada rice, most of the occasional consumers and few regular consumers prefer the already cooked at eateries / restaurants. But for a few regular consumers of the rice, preparing it personally in-home is preferred as they claimed that the aroma and taste are better when prepared by self.
5.5 PURCHASE BEHAVIOUR

Majority of the sampled respondents currently tend to buy the measured ones more than the packed ones due to perceived affordability. In Abeokuta, preference for the measured Ofada rice does not seem to be completely driven by the pricing perceptions of the packed ones, but partly by the belief that the measured ones are relatively natural than the packed ones. A few respondents even rated the measured ones better than the packed ones in terms of aroma.

There tends to be a relatively high preference for the packed ones in Lagos as opposed to Abeokuta. Key driver of preference for the packed Ofada rice appears to be hinged on their dirt–free association, which ultimately makes the process less hectic.

CONSUMPTION RATES IN NIGERIA

Frequency of Consumption of Ofada Rice:

The frequency of consumption among regular Ofada rice consumers stands at 2 to 3 times a month, with 32% of the consumers eating it in a month.

Scope of Consumption:

The penetration rate of Ofada rice in the core markets of the South West of the country show a low penetration rate of only 19%.

Ofada rice as a brand of rice has been difficult to sell to consumers to tap into large volumes. With the exception of Lagos where consumption rates are slightly higher than the average rates in the market, the other areas have low consumption due to the barriers identified earlier in the review, i.e. processing, distribution challenges, high prices and unfavorable packaging.
Although there emerged no clear cut relationship between Ofada rice consumption and any particular traditional/cultural practices, there is evidence that Ofada rice consumption is seen as ‘special’ kind of treat especially in the low income household who cannot ordinarily afford to eat it as an ordinary food in the menu. Occasions like parties/commemorative events are popular places where Ofada rice is served. The findings from the Qualitative study strongly draw linkages between Ofada rice consumption at such events and the psychological need for hosts to offer a ‘special’ treat to their guests. Ofada rice is still perceived by many consumers as special rice due to the rich aroma and perceived higher nutritional value placed on it.

The seasonal production of Ofada rice (during the rainy season from March to August), is exploited by traders and middle men in the trade chain to commend a high price premium in the market. However, the high price notwithstanding, consumption of Ofada rice takes place all the year round as opposed to a particular time of the year.

**Who purchases**

Purchase of Ofada rice is not an exclusive preserve of any members in the family as respondents confirmed that this could be done by anybody, but not the husband/father in the case of married respondents with children. Same practise is applicable during the purchase of the packaged ones – that is, purchase can be made by anybody as long as the person has been directed on the brand of choice. Brand decision is mostly made by the mother, majority of the younger consumers sampled in the research are mostly dependants who either decide on the brand to buy or are directed by the mother. However, it’s important to note at this point that brand preference / loyalty within the category is currently low.

**Place of purchase**

Purchase of the packed ones is made mostly from the Supermarkets and neighbourhood shops while the measured is purchased from traders at the market by majority of the respondents, and neighbourhood shops by a few mostly in Lagos.

However, for a few BC1 respondents in Abeokuta, purchase of Ofada rice is done directly from a mill where they have opportunity to buy in large quantity – mostly 25kg. The quantity is for consumption, though this pattern was mentioned by very few younger respondents who claimed that the parents buy and keep ½ bags (25kg) in the house for consumption.

**Quantity purchased**

For respondents who purchase the measured ones, quantity purchased per purchase occasion varies from 1.5kg to 9kg (i.e. between 1 and 6 congos) in Abeokuta and between 750g to 2.25kg (i.e. 1 to 3 derica) by consumers in Lagos. See pictures below for samples of congo and derica
However, claim by the few sampled respondents who purchase the packaged ones is that they buy between 1 to 2 packs of the 500g once in two weeks or twice in a month.

**When purchased**
For the majority of the sampled, there is no set time for the purchase of Ofada rice as respondents claimed that purchase is made mostly at the point of need. Though there is perception that the rice is more expensive when it’s out of season, this however does not affect the respondents’ purchase habits.

5.6 **CONSUMERS RELATIONSHIP WITH PACKAGED OFADA RICE**
Consumers’ relationship with the packaged Ofada rice currently appears to be low – available SKUs and pricing seem to be impacting negatively on the level of consumers interaction with product. For majority of the respondents, current pack sizes are perceived as too small to adequately cater for a family. More so, perceived difficulty in establishing the exact quantity of the rice in the current box format was cited by as a challenge associated with packed Ofada rice. For consumers who currently buy the measured, it’s relatively easy for them to measure what a sufficient quantity is for the family. This is not so in the case of the packed one – which they claimed is too small in quantity and not easy to decide what quantity will be sufficient.

– “The packs are just are too small…how many of it will I buy that will be enough for me and the family…if I cook one congo I know it will be enough for all of us, but the pack I don’t…” *(Female 30-45, C1, Occ. Consumers of Ofada rice, Abeokuta)*

**Perceptions of Ofada rice current packaging**
In addition to respondents perception that the packs are too small, majority of them across locations also described the current Ofada rice packaging as *local, common, unattractive* and *misleading* as they were described as spontaneously communicating products other than rice. Most of the consumers associate the pack format with products such as detergent – as such, there is the perceptions that a first glance at the pack does not instantly communicate Ofada rice.
“I cannot go to a supermarket and buy Ofada rice in this packet, this thing is food but in this packet I don’t get that message...this looks common and I would rather go for it as a detergent like OMO” (female 30-45, Occ. Consumers of Ofada rice, Lagos)

Consumers’ expectation of ideal packaging and presentation of Ofada rice
In considering packaging and presentation of Ofada rice to the consumers, the following needs identified by the sampled respondents must be considered as critical:

a. Packaging material – though there is no major issue with the choice of cardboard as adopted currently by the players, majority of the respondent however expressed preference for Ofada rice in bags made from nylon materials so as to deliver on aesthetics, suitable for storage and be able to withstand impact. For the majority of the respondents, an example of their ideal packaging in terms of material and shape is the Semovita Honeywell nylon packaging, which is perceived as very strong on appeal value. See images below for example of respondents preferred packaging materials.

![Picture 3: A pack of Honeywell Semolina in nylon material](image)
(Nylon material perceived as attractive)
b. Packaging format / shape – one of the major concerns about the current packaging of Ofada rice is their perceived lack of uniqueness in terms of format. In terms of format therefore, majority of the respondents expressed preference for a pillow-shaped packaging format. Key influencers of the respondents’ choice are based on their need for a packaging format that expressly shows the exact quantity of the rice and the fit with conventional packaging of rice by a few respondents. The Honeywell Semolina pillow-shaped packs were cited as a typical example.

c. Colour – for the majority of the respondents, attractiveness of a pack is driven strongly first by the colours. Though no particular colour was established as the most preferred by the respondents, emphasis was however laid on multiple but simple colours. See images below for examples of preferred packaging based on appealing colours:
d. Packaging style – One major need expressed by the respondents in their preferred packaging of Ofada rice is the presence of an exposure / see-through window on the pack that reveals the rice. For the respondents, preference for a see-through is based on the need to determine the quality or otherwise of the rice before purchase. This is much more important for respondents in Abeokuta who currently perceived some of the packaged rice as not containing the ‘real Ofada rice’.

   “some of those packaged Ofada rice are not the original ones, some of them mix Ofada rice with another type of rice and tell us it’s Ofada rice”

It is based on this perception that majority of the respondents expressed preference for a pack type that clearly provides conviction on the quality of the Ofada they are buying. For the respondents, the patches on the grains remain a key determinant of quality Ofada rice. See image below for an example of ideal Ofada rice packaging based on a see-through attribute:
Information on pack – vital information required on the pack by the respondents include the following:

- Nutritional information
- How to prepare the rice and sauce
- Information on the attributes of the rice

Since the respondents currently have some doubts about the quality/naturalness of the packaged Ofada rice, it is critical to communicate the complete naturalness of the rice on the pack alongside other important attributes such as the stone and dirt-free.

Visual / graphics on pack – the current pack of Ultimate Ofada, in terms of visuals, clearly fits with the expectations of the respondents. Having a picture of already cooked Ofada rice with the patches very visible and served with the sauce on a leaf as it is the tradition is a vital expectation by the respondents. In addition to this, a picture of the Ofada rice farm/plantation is also expected to appear on the pack so as to communicate originality and naturalness of the product at a glance. See image below for example of preferred visuals. Picture 7: Picture of cooked Ofada rice
Overall, respondents’ expectations in terms of the appeal value of Ofada rice packaging tends to be high. However, care must be taken not to present the pack as foreign / international. The local association with the content is also expected to be portrayed on the pack through the choice of visuals, font style and other design elements.

**Consumers’ reactions to sample pack options for Ofada rice**
Actual packs presented to the respondents include the following:

![Picture 8: Uncle Ben’s box pack](image)

The Uncle Ben’s packaging was rated high in terms of appeal based on the colours combinations and the visual. However, pack format not too appealing due to perceived lack of uniqueness.

![Picture 9: Pack of Main Ofada Rice](image)

Main Ofada rice packaging was poorly perceived across groups and locations due to the unattractive and odd colour, visual on pack seen as odd and not fitting with the expected
picture of real Ofada rice. Presence of friend plantain perceived to be misplaced and not real.

- “I don't take dodo with me Ofada rice, and I have not seen anybody taking Ofada rice with dodo” (female 24-30yrs, regular consumers of Ofada rice, Abeokuta)

![Picture 10: a pack of Ultimate Ofada rice](image1)

The Ultimate pack was rated high especially in terms of the visual and simplicity / attractiveness of the colours for a few respondents. The visual of Ofada rice and the sauce on the pack was described as being the real. For the majority of the respondents, the picture clearly communicates the originality of the pack content even though there is no see-through to determine at a glance.

![Picture 11: a pack of Distinct Ofada rice](image2)

The pack was tested only in Abeokuta. Whereas the background colour and the font style tend to drive appeal for the pack, the visual portrayed weakened respondents confidence and attraction.
Though perceived as attractive, but potentially communicating foreign / international ness. For the respondents, a pack like this has the risk of portraying Ofada rice as processed and polished since it is believed to have been imported.

The pack was considered across groups as too ordinary, not attractive and does not fit for the packaging of Ofada rice.
Across groups and locations, the Tastic pack was rated the most preferred. The pack enjoyed a high positive disposition, and driven by the perceived attractive colour, the see-through window, material type, and pack format (pillow-shaped). In addition, the pack at a glance is seen as communicating quality and creates conviction about the originality of the content.

The Le Patron bag was rated the next most preferred after the Tastic pack by the respondents. Preference for the packaging was influenced by perceived durability, attractiveness of the pack influenced by the colour and visual, the size, and the handle which makes the bag easy to carry.

Overall, the major elements that need to be considered in the packaging of Ofada rice includes – attractive multiple colours, picture of cooked Ofada rice and the rice farm/plantation at the front and back view of the pack respectively, a pillow-shaped pack or bag, and ease of carrying for the large quantity bags. Communication on the pack must include nutritional information, direction on how to prepare the rice and sauce and information regarding the naturalness, stone and dirt – free of the rice. For the younger respondents, slogans such as local and best, ready to cook were also mentioned.
More so, based on the current high user imagery perception of the rice, there is potential opportunity to position the product as premium but must retain the local values which acts as a strong source of emotional connect between consumers and the rice.

**CONSUMERS ATTITUDE TOWARDS SALES PROMOTION**

- Across the groups and locations, respondents showed positive disposition to promotion, especially one where they are certain of enjoying the promises. And the respondents’ experiences with other products such as toothpaste, noodles, detergent and other laundry products confirmed the likely impact of promotion on purchase habits.
  
  - “I have had to buy more OMO at a time because of the promo then, when you buy one they will give you two” *(female, 21-30, regular consumers of Ofada rice, Lagos)*

- For the respondents, ideal Ofada rice sales promotion is expected to be as follows:
  
  - Offers product at a discounted price
  - Free gifts to accompany the rice. Example of gifts mentioned by the respondents includes – seasonings and eating utensils.
  - Buy one and get one free

- Though offering free gift was mentioned as the preferred by the majority of the respondents, however, this may not deliver strongly product sales volume since the shopper is likely to be different from the person making the buying decision. This is the case with the majority of the younger female respondents sampled – though they claimed responsibility for the shopping, the father / mother retains the buyer’s responsibility. In view of this, an effective promotion on Ofada must target mostly mothers / adult females.

- The most likely promotion that has the potential to influence the purchase habit of the buyers of Ofada rice in favour of the product appears to be one that offers product either at a discounted price and designed as *buy two for the price of one* as mentioned by the respondents.

- However, in addition to sales promotion, there seems to be a potential need for a market activation geared towards increasing awareness for the packaged Ofada rice and also creating conviction on their quality and stress – free attribute.

5.7 **MEDIA HABIT AND PREFERENCE**

- Respondents confirmed a relatively high TV usage, and followed by radio. Favourite TV channels for the sampled respondents in Lagos include – AIT, STV, TVC and Channels for a few male respondents. Period of TV usage ranges between 6pm and 12 midnights. And favourite radio stations listened to by the respondents include WaZoBia FM, Radio Continental, Ray Power and Rhythm FM.

- AIT, Channels and NTA mentioned as favourite TV channels by the male respondents as opposed to the female who prefer AIT, MITV and STV. In terms of radio stations, preference for Rock City FM, Radio continental, Paramount and Star FM is more popular in that order. Time of TV usage amongst respondents in Abeokuta is consistent wit respondents’ in Lagos.

- Based on the respondents media habit across the two locations, TV appears the most effective medium to reach the respondent on product communication. Aside from the visual effect which is very relevant in the communication of Ofada rice, it fits best with the respondents’ lifestyles.
OFADA RICE CONSUMPTION ESTIMATES & PROJECTIONS (MARKET POTENTIAL)

The consumption volumes for Ofada rice estimated from a consumption incidence of 19% in the market, suggests that a total of 40.8 million Nigerians would be consuming Ofada rice regularly. The number in the two sample locations, Lagos and Ogun state would be conservatively put at about 713,736 to 1 million people.

In terms of estimated volumes of Ofada rice consumed, the current research shows that an estimated 8.5 million tons are consumed in Lagos and Ogun states alone. This represents approximately 9% of the total projected consumption volumes at a national level (assuming the entirety of the Nigerian population consumed Ofada rice).

The basic assumption is that only 19% of the 140million Nigerians consume Ofada rice, hence giving a total of about 93,208 tons per annum.

However, available market estimates from various sources indicate that the total gross production for Ofada rice in Nigeria stands at 4,700 metric tons per annum. The assumption therefore is that for a large available market of 93,208 tons per annum, there still is great potential for the Ofada rice variant to capture a sizeable amount of the market, hence increasing the farmers’ income.

<table>
<thead>
<tr>
<th></th>
<th>Pop in target age group</th>
<th>Pop. Consuming Ofada rice regularly</th>
<th>Volume consumption per annum</th>
<th>Value of Ofada rice consumed per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Projections</td>
<td>40,881,034</td>
<td>7,767,396</td>
<td>93,208,758kg</td>
<td>N66,085,009,082</td>
</tr>
<tr>
<td>Projections for Ogun &amp; Lagos states</td>
<td>3,756,506</td>
<td>713,736</td>
<td>8,564,834kg</td>
<td>N6,072,467,079</td>
</tr>
</tbody>
</table>

Assumptions from these estimates include, consumers eating at least 1 kilogram of Ofada rice per month with an average price of 709 naira per Kilogram.

**Current estimates indicate Nigeria produces approximately 4,700 metric tons of Ofada rice per annum way below the survey estimated demand.**

The Naira value of the claimed market of Ofada rice by consumers in this research can be put at about 66 billion naira per annum (for the entire market potential) and 6 billion naira in the South western region alone.

These figures represent an already existing market of consumers who are already eating Ofada rice on a regular basis. The naira value estimates here are deduced from the end market (consumers) and give an indication of how much the product/commodity could be turning around in a year.

However, it becomes difficult to estimate how much of this value is accrued to the farmer. All indications from the market survey do however show a thin margin of profit to farmers as most of this value is shared along the market supply chain, mainly taken up by middle men, traders, wholesalers, transporters and millers.
PART 2: TRADE SEGMENT

5.9 CEREAL TRADERS & SUPERMARKETS

5.9.1 Traders’ motivations for stocking of Ofada rice

- For the majority of the traders and supermarkets sampled in Lagos and Abeokuta, their major drive for stocking of Ofada rice is based primarily on consumers’ demand even though they expressed concern about the low off-take of the rice at particular season in the year compared to the imported rice.

  - “I don’t have any special reason why I sell Ofada rice, I sell it because people sometimes ask for it…I don’t like saying kosi (don’t have)” (Trader of Ofada, Lagos)

  - “a distributor brought it for us the first time to try, we did and since then people have been asking for it...so our reason is just consumers demand because if the first time nobody bought it we would have stopped” (Prince Supermarket, Gbagada, <Medium sized>)

5.9.2 Concerns about the stocking of Ofada rice

- The major concern about the stocking of Ofada rice by traders and a few medium sized supermarkets sampled is the relatively low consumer demand for the rice compared to the imported rice. According to the traders sampled, demand for Ofada rice is usually high only during festive periods such as Easter, Christmas etc.

  - “if it's during the festive season there is usually a high demand for it but when it's not the festive season people don’t usually demand for it” – (Trader of cereal products, Lagos)

According to the traders, reasons for the low demand are hinged primarily on the high pricing perception and stress associated with the preparation. Other reasons cited by few medium sized supermarkets in the two locations include poor packaging of the particular brand of Ofada rice that they stock and expiration date which appears on all the brands. There is belief, especially by few supermarkets in Ogun State, that the expiration date on packs of Ofada rice tends to mislead consumers to believe that the product is no longer natural – hence, preference for the measured one which does not expire.

5.9.3 Source of supply

- Whereas traders of the measured Ofada rice in Abeokuta confirmed that they buy from a mill, a few in Lagos claimed that they receive supply of Ofada rice directly from own farm in Abeokuta. However, supermarkets and traders of the packed Ofada rice confirmed that they receive stock through a distributor.

5.9.4 Stocking habits

- Apart from Ofada rice, other commodities stocked by the traders sampled include different brands of foreign rice (Aroso, Agric, Caprice, Tomato, Mama gold, Cap gold), beans, maize and other food items such as groundnut oil, Semovita, Pounding yam, garri etc. and of all the commodities stocked, the imported rice and garri were described as having the highest off-take, hence the most regularly stocked.
For the supermarkets, the fast moving consumer goods such as grocery, confectionery, toiletries etc. were confirmed as the most regularly stocked due to their high off-take as opposed to luxury items and synthetic goods such as perfume, spray etc.

5.9.5 Quantity stocked

Table 1: stocking pattern of traders in Abeokuta

<table>
<thead>
<tr>
<th></th>
<th>Stock up purchase Qty in Kg</th>
<th>Expected duration of stock</th>
<th>Average Daily sales</th>
<th>Average weekly sales</th>
<th>Average monthly sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ofada rice (measured)</td>
<td>Between 15kg to 90kg (i.e. 1 – 6 Olodos)</td>
<td>5 days – 2 weeks</td>
<td>Could not be established since sales is not steady</td>
<td>Could not be established since sales is not steady</td>
<td>-</td>
</tr>
<tr>
<td>Ofada rice (measured)</td>
<td>1800kg</td>
<td>A week</td>
<td>450 - 600kg</td>
<td>1800kg</td>
<td>5400kg</td>
</tr>
<tr>
<td>Imported rice in bags</td>
<td>10000kg – 20000kg</td>
<td>4 weeks – 2 months</td>
<td>250kg – 500kg</td>
<td>1000kg – 2500kg</td>
<td>5000kg – 10000kg</td>
</tr>
<tr>
<td>Ofada rice (packed)</td>
<td>180kg – 240kg</td>
<td>3 – 4 weeks</td>
<td>Could not be established</td>
<td>60kg - 84kg</td>
<td>180kg – 240kg</td>
</tr>
</tbody>
</table>

Detailed stock movement for Ofada rice by the sampled traders in Abeokuta could not be ascertained as they claimed fluctuation in the demand for Ofada rice.

- "in a day I may not sell a congo of Ofada rice…and some days I can sell like 2 congo, so it's difficult to say how much I sell a day" (traders of cereal products, Abeokuta)

Table 2: stocking pattern of traders in Lagos

<table>
<thead>
<tr>
<th></th>
<th>Stock up purchase Qty in Kg</th>
<th>Expected duration of stock</th>
<th>Average Daily sales</th>
<th>Average weekly sales</th>
<th>Average monthly sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ofada rice (measured)</td>
<td>100kg</td>
<td>1½ months – 2 months</td>
<td>Could not be established</td>
<td>Could not be established</td>
<td>100kg</td>
</tr>
<tr>
<td>Imported rice in bags</td>
<td>10000 kg – 15000kg</td>
<td>1 month – 2 months</td>
<td>250kg - 350kg</td>
<td>1500kg – 2500kg</td>
<td>7500kg – 10000kg</td>
</tr>
<tr>
<td>Ofada rice (packed)</td>
<td>180kg – 240kg</td>
<td>3 – 4 weeks</td>
<td>Could not be established</td>
<td>60kg - 84kg</td>
<td>180kg – 240kg</td>
</tr>
</tbody>
</table>
Table 3: stocking pattern of supermarkets

<table>
<thead>
<tr>
<th></th>
<th>Stock up purchase Qty</th>
<th>Expected duration of stock</th>
<th>Average Daily sales</th>
<th>Average weekly sales</th>
<th>Average monthly sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ofada rice (packed)</td>
<td>120kg – 480kg</td>
<td>A week – 1 month</td>
<td>Could not be established</td>
<td>Could not be established</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20 cartons of 2kg pack size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ofada rice (packed) – a few supermarkets</td>
<td>12kg</td>
<td>A week</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imported rice in bags</td>
<td>20000kg</td>
<td>1 month</td>
<td>Could not be established</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25000kg</td>
</tr>
</tbody>
</table>

5.9.6 How Ofada rice is measured by traders

- Below are images of measures for Ofada rice:

Picture 13: derica (measure used by traders in Lagos)

Picture 14: the 3 different sizes of measures for Ofada rice in Abeokuta (the biggest measure is popularly known as congo)
5.9.7 Retail price of Ofada by traders

<table>
<thead>
<tr>
<th></th>
<th>Derica (750g)</th>
<th>Congo (1.5kg)</th>
<th>500g pack size</th>
<th>2kg pack size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traders</td>
<td>Currently sells for N350</td>
<td>Currently sells between N400 &amp; N500</td>
<td>Ultimate Ofada – sells between N250 &amp; N300 Olumo Ofada – sells between N180 &amp; N200</td>
<td></td>
</tr>
</tbody>
</table>

- However, majority of the traders across the two locations confirmed inconsistency in the retail pricing as *derica* sometimes sells between N500 – N600 and the price per *congo* ranging between N600 and N700 when the rice is scarce.

5.9.8 Product shelf positioning

- For the supermarkets, rate of consumer demand was cited as the single major influencer of product shelf positioning. The sampled supermarket confirmed that though products are displayed on the shelf to fit into section already reserved for the category, certain products/brands with high off-take are intentionally positioned where they are easily accessible to the customers.

5.10 EXPLORING IMPACT OF TRADE PROMOTION ON OFADA RICE

5.10.1 Traders attitude towards trade promotion

- Both the traders and supermarkets showed positive disposition towards trade promotion. However, majority of the supermarkets confirmed that their likelihood to be influenced by the promotion will depend on the product off-take. Example of recent trade promotions that fit such expectation of the traders / supermarkets is the *Harpic buy 2 get one free*, which was confirmed to have influenced more sales of product for the traders.

- Though Ofada rice does not currently fit into products with high off-take, however the possibility for traders to be influenced to increase stock up purchase quantity and rate of restocking is likely if the trade promotion on Ofada rice will run concurrently with a consumer promotion.

- For the supermarkets and traders, the high pricing perceptions of Ofada rice was cited as a likely barrier to high consumer demand for the rice. As such, offering the rice at a discounted price was mentioned as their ideal trade promotion expected on Ofada rice – i.e. *buy 3 and get one free*.

  - “the problem is not stocking more Ofada rice, but selling it. Ofada does not have a high demand like other rice but a discount in price can encourage me to stock it more so that when I sell it I will make more profit” (*Trader of packed Ofada rice, Lagos*)

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PART 3: MARKETERS OF OFADA RICE

5.11.1 Marketers assessment of the Ofada rice business

- The sampled marketers expressed high motivation towards the Ofada rice business as it is perceived as a lucrative business. Most of the marketers confirmed that the business has grown positively over the years especially in terms of their customer base and sales volume. Much optimism was also expressed in the future of Ofada rice marketing influenced by the perceived growing awareness of its health benefit.

5.11.1 Challenges in the business

- However, challenges associated with the business are as follows:

  o Difficulty in accessing farmers due to bad roads – the challenge of accessing farmers currently tends to be a major one encountered by the majority of the marketers sampled except Eppy Ray. According to New Distinct Ofada rice, the challenge is worse during the wet season and such usually puts a hold to their supply of the rice since the farmers are rarely accessible at such a time. Aside from this, Royal Sibling Ofada rice confirmed that a lot of expenses are incurred in the process as vehicles need to be repaired.

  o Stressful process of removing stones and dirt from the rice before packaging – majority of the marketers confirmed that the process of removing stones and dirt is usually done manually; hence it is seen to be stressful. Though they confirmed the presence of de-stoner machines, a few such as MTS fault the effectiveness of the device in removing stones from the rice.

  o Reduction in the Ofada rice farmlands / farmers – there is the belief by Royal Sibling Ofada rice that farmer are nowadays selling their farmlands to property developers, hence resulting in reduction in the size of farmers, farmlands and the commodity.

  o Perceived insincerity by competitors – the major challenge and threat to the business cited by Eppy Ray is the perceived insincerity in the packaging of Ofada rice by certain competing marketers, who she claimed are mixing Ofada rice with other types of rice to make more profit. This was cited as a challenge by the marketer because of the damage that such act could cause to the other brands.

  o Low awareness of the health benefit of Ofada rice – marketers also expressed concern about the low consumer demand for Ofada rice, which tends to suggest their lack of knowledge of the value of Ofada rice as opposed to the imported ones.

5.11.2 Sources of supply

- Majority of the marketers confirmed that they buy the rice from farmers unlike Eppy Ray who personally owns a farm and gets direct supply.
5.11.2 Sales
Table 4: Sales by volume amongst marketers

<table>
<thead>
<tr>
<th>Sales</th>
<th>Eppy Ray</th>
<th>Royal Siblings</th>
<th>MTS</th>
<th>New Distinct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sells an average of 30-35 cartons weekly</td>
<td>-</td>
<td>-</td>
<td>Sells an average of 20 cartons a week.</td>
<td></td>
</tr>
</tbody>
</table>

6.0 PRICING:

There is strong correlation between the price offered by retailers (traders) and the type of packaging, although marginal. Packaged Ofada rice attracts a slightly high retail price than the open market measurement rice. Most consumers associated the packaged Ofada rice with upmarket outlets, hence higher price premium.

**Units sales price......measurement containers**

![Graph showing units sales price for Derica and Kogo bowl]

The measurement units is sold at the average prices of Derica N253, Kogo bowl N452

Q4.1. How will you describe the sale level for......?
The findings from the survey seem to suggest that packaging Ofada rice may in the long run offer a slight increase in price for the commodity. However, there are a number of issues that must be addressed to achieve the most in pricing through packaging. Distribution and consumer education (preferably through infommercials) may be the most urgent issues to tackle in consumer education.
7.0 CONCLUSIONS

- Strong health benefit and distinct taste are associated with Ofada rice but consumer interactions with product are challenged by high pricing perceptions and presence of particles / dirt.

- Regular consumption of Ofada rice is hindered by perception of it being special due to the pricing and preparation bottlenecks, hence perceived fit for mostly occasions.

- Potential opportunity to position product as premium while leveraging on the perceived value and user association but must emphasise the local touch which acts as the major source of connect between consumers and the rice.

- There is a growing preference for packed Ofada rice, though perceptions of product not being as aromatic and natural as the measured ones in Abeokuta appears to be a challenge.

- Purchase of Ofada rice especially in Abeokuta is done usually in the open market – hence concerns about the rice not easily accessible in neighbourhood outlets.

- Aside from the Ultimate packaging, most of the current packaging of Ofada rice appears not to be working favourably for brands playing in the segment as they are perceived to be local and unattractive.

- Ultimate Ofada is currently the major brand driving awareness and consumer interaction for the packaged Ofada rice.

- There is the potential need to emphasise the complete naturalness of the packed Ofada rice so as to diffuse consumers’ doubts about their quality.

- Motivation for the stocking of Ofada rice by traders and supermarkets is driven primarily by consumers demand.

- Though there is a relatively low off-take of Ofada rice compared to imported rice, few traders / supermarkets confirmed increase in consumer demands.

- Inconsistency in the retail pricing of Ofada rice due to seasonal changes resulting in scarcity of the rice.

- Manual processing of Ofada rice and bad road networks to the farmlands are perceived as key challenges with the Ofada rice business by the marketers.

7.0 RECOMMENDATIONS

- There is the potential need opportunity to increase consumers’ interaction with the rice by leveraging on the health benefit through brands communications.

- There is also the need to consider a public enlightenment campaign aimed at increasing public awareness of the health benefit of the rice.

- Consider a market activation that will provide a platform through which the stone-free benefit and complete naturalness of the packed Ofada rice can be communicated.
• Currently, supermarkets and open market are the major channels for Ofada rice – there is the need to consider product presence in neighbourhood outlets so as to make them easily accessible to the consumers.

• Potential opportunity to position brands as premium by leveraging on the high user image perceptions of the product.

• In considering packaging for Ofada rice, visuals of already cooked Ofada rice, attractiveness through colours, nutritional information, slogans, dirt free and product naturalness must be considered.

• Investment in distribution (availability) of Ofada rice is a necessary prerequisite for Ofada rice price justification.

• Packaging alone may not necessary provide the necessary price increase for the Ofada rice producers because of the nature of the market structure in Nigeria where retail trade is controlled by the open markets, up to 90% of commodities go through these markets.

• There is a huge potential presented by the market for Ofada rice as a variant of rice. The current estimates of the ready market available stand at 93,200 tons per annum compared to the unofficial production capacity of 4700 metric tons per annum. There is therefore a strong possibility that other variants of rice are classified by consumers as Ofada rice.