

# Regional brand of Racha-Lechkhumi and Kvemo Svaneti

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## Marketing strategy



All stakeholders and beneficiaries of the project's target group were engaged in the process of developing the strategy.

The work process encompassed the following key steps:

1. "Expansion of regional branding in Racha and Guria regions" within the Racha-Lechkhumi and Kvemo Svaneti region, involving participation in the regional working group meeting and gathering information through the "brainstorming" method.
2. Conducting group and individual interviews with members of the brand's regional working group, including brand founders and local project partners.
3. Development of a specialized questionnaire designed to identify expectations and opportunities, further enhancing the strategic development process.

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This document outlines the forthcoming three-year marketing strategy and action plan for the implementation of the Racha-Lechkhumi and Kvemo Svaneti regional brand's overarching strategy.



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## Purpose of creating a strategy

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The primary objective in formulating the marketing strategy for the regional brand of Racha-Lechkhumi and Kvemo Svaneti is to comprehensively scrutinize challenges arising from the assimilation of acquired information. This scrutiny serves as a foundation for delineating the brand's enduring marketing goals and objectives, concurrently devising requisite strategies to realize the envisioned outcomes. The ensuing action plan, derived from this strategic framework, is envisioned to serve as a guiding beacon for the progressive development of the brand.

## Description of the current situation

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The purpose and values of the regional brand of Racha-Lechkhumi and Kvemo Svaneti

The raison d'être and values intrinsic to the regional brand of Racha-Lechkhumi and Kvemo Svaneti are multi-faceted. Primarily, the brand aspires to furnish brand owners with an avenue to penetrate novel markets while concurrently propelling the region's visibility through the establishment of a robust internal and external communication network.

Notably, recent trends underscore a surge in migration contingent upon the prevailing standard of living. This migration surge is exacerbated by the scarcity of employment opportunities within the region, resulting in a depopulation of municipal centers in both cities and villages. The brand's overarching objective is to staunch this migration flow, fostering economic growth by championing the promotion and sale of locally sourced, high-quality products.

Crucially, the regional brand operates within the confines of the law, meticulously upholding ethical norms. Its bedrock principles encompass a commitment to quality, justice, transparency, reliability, and eco-friendliness, serving as the compass that guides its activities.

### **Mission**

The mission of the Racha-Lechkhumi and Kvemo Svaneti regional brand is to orchestrate the establishment of a robust internal and external communication network. This network is envisaged to seamlessly interconnect brand owners, consumers, and representatives from both the private and public sectors, fostering collaboration at both local and international levels.



## Brand uniqueness

The distinctiveness of the brand lies in its production of ecologically pristine goods rooted in mountainous terrain—an offering currently scarce globally. Reserved exclusively for proprietors and service providers specializing in local, tradition-based, and premium products, it serves as a guarantee for consumers seeking high-quality, eco-friendly, and dependable products.

## Market analysis

The target demographic of the Racha-Lechkhumi and Kvemo Svaneti regional brand is twofold. On one facet, it encompasses the small, micro, and medium-scale entities engaged in local, tradition-infused production and services, including intellectual endeavors. On the other facet, the brand's focal audience comprises consumers who prioritize obtaining quality, dependable, traditional, and ecologically conscious products at a fair price.

Against the backdrop of a burgeoning food industry and escalating tourism trends in Georgia, the brand and its affiliated entities hold substantial developmental potential. A noteworthy consideration is the increasing financial backing for micro and small-scale businesses within the ambit of the state's "Produce in Georgia" program, further propelling advancements in these sectors.

A pivotal segment of the brand's clientele includes:

- Foreign customers beyond national borders, constituting an export market.
- Esteemed establishments such as large restaurants and hotels, anticipated to procure brand owners' products for their clientele.
- Discerning tourists with a penchant for locally sourced goods.
- Citizens boasting medium to high income levels.
- Hypermarkets and retail outlets poised to retail brand products.

The market is experiencing expansion, driven by a surge in entrepreneurs, particularly in the specified region, attributed to the annual uptick in government-driven business promotion programs. Concurrently, export prospects are on the rise as a growing number of companies actively engage in fostering the export of local products. Furthermore, the annual influx of tourists to the country is on an upward trajectory, amplifying the brand's potential to augment demand within the tourist demographic.

The brand currently faces no direct competitors, although it is conceivable that indirect competition may emanate from business associations actively advocating for their members, thereby enhancing



their market reach. Moreover, certification-granting organizations could be perceived as potential competitors; however, a notable advantage in this scenario lies in the streamlined procedures and expedited timelines associated with brand accreditation through such entities.

## SWOT Analysis

### Strengths:

- The active engagement of non-governmental organizations in the region, presenting opportunities for increased connections for brand owners.
- Robust communication networks at both regional and municipal levels, fostering comprehensive development and connectivity throughout the region.
- A sizable market with diverse entrepreneurial directions, facilitating scalability for the brand.
- Heightened demand for export, opening avenues for market expansion beyond national borders.
- A relatively straightforward certification process, offering efficiency and resource savings for both parties involved.
- Activities rooted in traditions and culture, imparting additional value to the brand's offerings.
- An eco-friendly brand, aligning with contemporary imperatives and serving as a fundamental requirement for various activities.
- Substantial demand driven by the multitude of entrepreneurs and the expansive market of potential brand owners' products.
- Innovativeness, attributed to the absence of a comparable counterpart in the region, bestowing a unique edge to the brand.

### Weaknesses:

- Initial lack of public trust attributed to a dearth of awareness during the introductory phase.
- Limited awareness of brand activities within target groups and broader society.
- Financial constraints posing challenges for developmental initiatives.
- Inexperience due to the brand's recent establishment, lacking a track record in the field.
- Initial deficiency in external contacts, hindering trademark owners from enhancing awareness and promoting product sales.
- Absence of a dedicated demonstration space for presenting products/services of brand owners.
- Lack of an electronic store, impeding brand owners from showcasing their offerings to both Georgian and international customers in a centralized platform.
- Difficulty in controlling multiple operational directions.

### Opportunities:

- Engaging with local and foreign organizations for fundraising initiatives.



- Providing brand trademark owners with opportunities to travel abroad, facilitating the implementation of successful practices in their operations.
- Organization of business training sessions by the brand for prospective entrepreneurs, fostering the future growth of brand membership.
- Expansion of the brand's footprint both in the market and among the owners of the brand's trademark.
- Development and establishment of a positive image in both local and international markets.
- Augmentation of brand supporters through local and international partnerships.
- Creation of an "exporter" company under the brand, facilitating the export of brand owners' products.
- Establishment of an electronic store for the sale of products by brand trademark owners.
- Opening of a dedicated store or trade facility in a tourist-centric location within the region, enabling brand owners to showcase their products.
- Organization of exhibitions and festivals on behalf of the brand, targeting brand trademark owners.

#### Threats:

- Unstable political and social environment in the country, potentially hindering the development of brand owners and the search for investors.
- Competition, although no direct competitors currently exist, similar associations or non-governmental organizations with comparable ideas could emerge as competitors.
- Potential disasters affecting entrepreneurs and damaging products, leading to motivation loss and product shortages.
- Reputational risk arising from challenges in effectively controlling the quality of products by individual brand owners after obtaining the brand trademark.
- Legal risks, encompassing potential conflicts between the brand and trademark owner, as well as between consumers and the brand owner of the trademark.
- Migration as a significant risk, with population outflow potentially reducing both customers and potential brand members.
- Dishonesty in brand activities, posing a substantial hindrance to reliability, quality, and transparency, thereby impacting trust and reputation.
- Economic factors potentially acting as obstacles to the effective management of brand activities, influencing overall brand performance.



## Marketing Strategy Findings

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Following the analysis of the current scenario, several conclusions and challenges pertinent to the brand have emerged:

- **Transparency Imperative:** Brand operations necessitate maximal transparency to cultivate public trust and instill a sense of fairness among consumers regarding brand practices.
- **Trust Deficit in Initial Stage:** At the initial phase, a deficit of trust in the brand is discernible, predominantly stemming from a low level of awareness. There is an imperative need to enhance brand visibility within target groups.
- **Financial Fundraising Essential:** There exists a critical requirement for the brand to secure financial resources for the effective execution of measures aimed at fostering brand development.
- **Need for an Electronic Store:** A pivotal necessity is the establishment of an electronic store, encompassing a website or application. This platform is envisioned to empower brand owners in introducing their services to a global customer base.
- **Collaboration with Tourism and Export Entities:** It is vital for the brand to engage in collaborative efforts with tourism and export companies. Such collaborations are anticipated to streamline the process of selling products and services offered by brand owners.
- **Establishing Communication Networks:** The brand necessitates the creation of a robust internal and external communication network. Strengthening connections with the media, private and public sectors, and international organizations is deemed essential for brand advancement.
- **Correct Brand Positioning:** Achieving the correct positioning for the brand requires a strategic determination of appropriate methods. Establishing a quality and reliable brand image is paramount in this pursuit.





## Marketing tasks

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### Task 1:

#### Building Trust and Increasing Awareness among Local Entrepreneurs

##### Activities

- Planning and conducting meetings, along with arranging presentations, specifically designed for local entrepreneurs.
- Collaborating with both the private and public sectors to enhance entrepreneurial interest and foster increased contacts.
- Creating and disseminating informative videos and articles highlighting brand trademark holders.
- Facilitating connections between brand owners and local as well as foreign organizations to instill confidence in the brand's activities.
- Developing an electronic catalog showcasing the diverse products of brand trademark owners.
- Establishing an electronic store dedicated to selling the products of brand trademark owners.
- Organizing impactful exhibitions and festivals to showcase the brand's offerings.

##### Outcome:

Local entrepreneurs gain heightened confidence in the regional brand, perceiving it as a valuable contributor to the success of their businesses. Consequently, the number of potential owners of the brand trademark experiences a notable increase.

### Task 2:

#### Enhancing Public Awareness of the Regional Brand

##### Activities:

- Preparation and strategic distribution of advertising materials to target audiences.
- Compilation of comprehensive annual summary reports, accompanied by public presentations.
- Proactive utilization of social networks to engage with a broader audience.
- Implementation of influencer marketing strategies to leverage influential figures in promoting the brand.
- Consistent dissemination of news through press releases to keep the media and the press informed.



- Development and maintenance of an electronic catalog showcasing products from brand owners.

**Outcome:**

A heightened level of awareness regarding the regional brand is achieved across society. Residents, organizations, and various stakeholders gain access to detailed information through reports on the brand's activities. Increased visibility on social networks, websites, and other communication channels further contributes to widespread awareness and engagement.

Task 3:

Establishing a Robust Internal and External Communication Network

**Activities:**

- Facilitating periodic meetings and discussions among brand trademark owners.
- Promoting brand trademark owners through international visits to implement successful foreign practices in their activities.
- Conducting meetings with representatives from the public and private sectors, coupled with brand presentations.
- Formalizing partnerships by signing memorandums with relevant organizations.
- Organizing meetings between brand members and partner organizations to foster collaboration.
- Recognizing and rewarding active supporters, and disseminating information about successful partnerships via social media.
- Engaging in cooperative ventures with local media.

**Outcome:**

The brand successfully forges collaborations with local and international entities, spanning both private and public sectors. Joint projects are effectively implemented as a result of this extensive network, enhancing the brand's visibility and impact within the global and local communities.



#### Task 4:

#### Cultivating the Image of the Regional Brand as a Trusted and High-Quality Entity

##### Activities:

- Strict adherence to established rules in the use of the brand logo on all packaging and advertising materials.
- Emphasizing the "eco-friendliness" aspect in all distributed information related to the brand.
- Conducting comprehensive surveys involving consumers, brand owners, and partners to gauge the perceived quality of the brand's products.
- Preparation and widespread distribution of videos and photo materials depicting the meticulous process of crafting products by members of the brand.

##### Outcome:

Within society, the brand becomes synonymous with reliability and top-notch quality. This positive association significantly boosts demand for the brand and its offerings.

#### Task 5:

#### Ensuring Financial Sustainability of the Brand

##### Activities:

- Collaborating with local funders through sponsorship arrangements.
- Initiating and implementing grant projects to secure additional financial support.
- Expanding the number of brand partnerships.
- Facilitating the sale of products from brand trademark owners, either through export initiatives or an electronic store.

##### Outcome:

The brand attains financial sustainability through successful cooperation with local funders, increased grants, and expanded brand partnerships. The obtained financial resources are strategically utilized for ongoing brand development and effective marketing activities.

#### Task 6:

#### Enhancing Transparency in Brand Operations and Information Accessibility

##### Activities:

- Regular publication of comprehensive annual reports detailing the brand's activities.



- Hosting open meetings to discuss and share insights into the brand's operations with entrepreneurs and other stakeholders.
- Establishing clear communication channels, including meetings, with the media and non-governmental organizations.

### Outcome:

As a result of these activities, the brand achieves heightened transparency in its operations. Stakeholders, including entrepreneurs, consumers, media, and non-governmental organizations, develop increased trust and engagement with the brand due to the readily available and transparent information about its activities.

### Recommendations:

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When creating a strategy, certain recommendations were developed that the brand should take into account:

- Prioritizing utmost transparency in the brand's operations is crucial to dispel any perception of bias among entrepreneurs and consumers, thereby fostering increased trust in the brand.
- Collaborating with local non-governmental organizations can significantly facilitate the brand's communication with target groups, enhancing information dissemination and fostering greater trust in the brand.
- It is advisable to collaborate with the Agency of Innovations and Technologies of Georgia. This partnership can facilitate the establishment of a communication platform through grant acquisition, fostering connections between entrepreneurs and consumers. Furthermore, utilizing the same platform to develop an electronic store is recommended.
- Actively utilizing social media is crucial. Facebook serves as a platform for disseminating information to both entrepreneurs and the public, who are the ultimate consumers of the brand owners' products. This channel aids in raising awareness, keeping users consistently informed, and shaping the desired image through appropriate visual materials. LinkedIn, being an international business social network, facilitates communication with both foreign and local partners. Maintaining a strong presence on these social networks is essential for building and upholding a reputable image. The platforms should contribute to information dissemination about the brand, promote brand owners, and offer thematically valuable content, including advice, contests, and more.
- Facilitating meetings, discussions, and reinforcing communication among brand trademark owners is essential to cultivate a robust internal network. This collaborative effort fosters a sense of community, encouraging mutual support and knowledge-sharing among brand stakeholders. The strengthened internal network contributes to a cohesive and united approach in achieving shared objectives and overcoming challenges within the brand.



- Organizing external meetings for entrepreneurs abroad serves as a valuable platform for sharing and implementing foreign best practices. This initiative enables brand stakeholders to gain insights, adopt innovative approaches, and establish international connections. By fostering cross-cultural exchanges, the brand can integrate successful strategies from different markets, enhancing its adaptability and competitiveness on a global scale.
- Organizing festivals and exhibitions, particularly in collaboration with the public sector, serves as a strategic approach to boost tourism development. These events play a vital role in promoting the products and services of brand trademark owners, creating visibility and attracting diverse audiences.
- Collaborating with partner organizations to organize business forums is a strategic move that enables the brand to cultivate effective communication with specific business segments. These forums serve as dynamic platforms for networking, knowledge exchange, and collaboration
- Embracing influencer marketing actively is instrumental in elevating the brand's visibility and building trust within the target audience. Engaging influencers who are widely recognized by the public to endorse the brand can significantly amplify its reach and credibility. To optimize this strategy economically, brand owners can offer their products as gifts to influencers rather than monetary compensation.
- Implementing periodic business training sessions for brand owners is a pivotal strategy to enhance both trust and demand for the brand. These sessions, designed to educate brand owners on the nuances of developing their enterprises, contribute to their professional growth and business acumen. Inviting foreign partners to share their experiences during these training events further enriches the sessions, providing diverse perspectives and valuable insights.



## Racha-Lechkhumi and Kvemo Svaneti Regional Brand Marketing Strategy Implementation Action Plan for the years 2024-2026

Task	Activity	Responsible	Budget for 2024	Budget for 2025	Busget 2026	Source of Financing
<b>Building Trust and Increasing Awareness among Local Entrepreneurs</b>	Planning and conducting meetings, along with arranging presentations, specifically designed for local entrepreneurs	Brand Coordinator	4000	5000	5000	Brand's own funds
	Creating and disseminating informative videos and articles highlighting brand trademark holders	Brand Coordinator	2000	2000	2000	Brand's own funds
	Developing an electronic catalog showcasing the diverse products of brand trademark owners	Brand Coordinator	5000	2000	2000	Donors
	Establishing an electronic store dedicated to selling the products of brand trademark owners	Brand Coordinator	0	60000	0	Donors (Technopark)



	Organization of meetings with future entrepreneurs / conducting trainings on entrepreneurship	Brand Coordinator	5000	5000	5000	Brand's own funds & donors
<b>Enhancing Public Awareness of the Regional Brand</b>	Meetings with public and private sector and presentation about the brand	Brand Coordinator	1000	1000	1000	Brand's own funds
	Signing memorandum(s) of cooperation with organizations	Brand Coordinator	0	0	0	Brand's own funds
	Organizing meetings between brand members and partner organizations	Brand Coordinator	3000	5000	5000	Brand's own funds & donors
	An award ceremony for active supporters and the dissemination of information about successful partnerships through social media	Brand Coordinator	0	0	9	Brand's own funds
	Active use of social media	Brand Coordinator	0	3000	3000	Brand's own funds



<b>Establishing a Robust Internal and External Communication Network</b>	Development and distribution of advertising material	Brand Coordinator	3000	5000	5000	Brand's own funds & donors
	Promoting brand trademark owners through international visits to implement successful foreign practices in their activities	Brand Coordinator	0	30000	30000	Brand's own funds / Personal funds of brand owners
	Active use of social networks	Brand Coordinator	0	1000	2000	Brand's own funds
	Using influencer marketing	Brand Coordinator	0	0	0	Brand's own funds
	Continuously informing the media about the news	Brand Coordinator	0	0	0	Brand's own funds
<b>Cultivating the Image of the</b>	Preparation of annual summary reports and presentation to the public	Brand Coordinator	0	0	0	Brand's own funds



<b>Regional Brand as a Trusted and High-Quality Entity</b>	Emphasizing "eco-friendliness" in disseminating information about the brand	Brand Coordinator	0	0	0	Brand's own funds
	Conducting research on the quality of branded products among consumers, brand owners and partners	Brand Coordinator	0	0	0	Brand's own funds
	Taking videos and photos of the production process of goods/services of the brand owner's products	Brand Coordinator	2000	3000	3000	Brand's own funds
<b>Ensuring Financial Sustainability of the Brand</b>	Cooperation with local sponsors	Brand Coordinator	0	0	0	Brand's own funds
	Development of grant projects	Brand Coordinator	0	0	0	Brand's own funds
	Work on increasing the number of brand owners	Brand Coordinator	0	0	0	Brand's own funds



	Brand mediation to increase sales of brand trademark owners' products, including through export and e-commerce	Brand Coordinator	0	0	0	Brand's own funds
<b>Enhancing Transparency in Brand Operations and Information Accessibility</b>	Publication of annual reports	Brand Coordinator	0	0	0	Brand's own funds
	Holding open meetings about brand activity, both with entrepreneurs and with other stakeholders	Brand Coordinator	0	0	0	Brand's own funds
	Organization of meetings and cooperation with media and CSOs	Brand Coordinator	5000	5000	5000	Brand's own funds



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