



# SONYSUGAR

## MARKET

Over the last ten years SonySugar has evolved into the symbol of sweetness in sugar in the local market. Consumer surveys conducted in the past have established that consumers easily resonate with the brand's sweetness proposition.

Being a basic consumer good, the segment of the population in the lower end of the market finds SonySugar effective in providing added value per shilling spent. SonySugar is packed in both bulk format and 25/24kg shipper bales of branded sugar. A 20kg bale for the branded sugar variant is shortly being introduced to address the demand by distributors for a more convenient wholesale pack.



The target group for SonySugar is broad, comprising of males and females aged twenty years and above; high and low income earners residing in the urban, peri-urban and rural areas. The market is mainly segmented by size of consumer pack and type of sugar. The larger consumer pack sizes of 5kg and 2kg are targeted at the upper and middle income group, whereas the smaller consumer packs of 1kg, ½kg and ¼kg are targeted at the lower income group.

In terms of market segment sales, the two sectors have an equal share of market penetration. However the smallest pack size – the six gram sachet - is mainly a hotel, restaurant and institution pack where convenience, hygiene and individual pack integrity is demanded. Because of these attributes, it is a ready pack for airlines and hospitals.

The type of sugar - white or brown - is segmented by geographical considerations and usage. SonySugar white is generally chosen for table use, whereas SonySugar Brown has established a loyal customer base in the rural areas and in certain geographical zones in the Rift Valley and Southwestern regions of Kenya.

The brand's growth in the branded pack

variant market has increased steadily over the last ten years especially following the Superbrands award and marketing investment of years 2009 to 2011. During the same period, Company gross sales turnover including sales of bulk sugar in 50kg and 25kg pack format grew significantly, hitting an all-time high of over Kshs. 7 billion in financial year 2011/12 and projected to stabilise above Kshs. 7 billion annually for the next five years.

## ACHIEVEMENTS

The brand has made in-roads in the sugar market and become the un-disputed number two brand in terms of consumer preference and market presence. The only limitation to the brand growth has been inadequate production capacity of the manufacturing plant. The 6gm sachet pack variant continues to be the only sugar miller packed sugar sachet in the Kenyan market commanding a significant share of retail sales, and hospitality industry consumption – hotels, restaurants and other entertainment joints. Prior to its launch, in 2004, sugar sachets were packed by commodity middlemen, but SonySugar sachet has proved that the segment has a good return on packaging investment (ROI). The SonySugar sachet continues to be the sugar sachet of



choice for the hospitality industry and Nairobi Hospital in-patient use. These outlets fall in the category of respected institutions who demand top quality products, thus affirming the high quality standards of SonySugar sachets.

The brand communication has received accolades in the local sugar industry throughout its advertising years as the most interesting and memorable. The brand communication has evolved from the original sugar mouth mnemonic in 2002, into two television commercial

versions, one strongly positioning the brand on a sweetness platform and the second developing an emotional appeal as the brand that savours life's sweet moments. The brand's underlying message "My Sweetie" is commonly used in conversation among young consumers. The brand advertising is set to be refreshed in this year 2016 to further uniquely position the brand and strengthen its heritage.

The Company achieved ISO 9001:2008 certification in July 2009 and the Diamond Mark of Quality in April 2010, demonstrating its commitment to international and national standards in its continual improvement in products and service delivery. In its quality policy statement, the Company commits to provide quality products and services that meet and



exceed customer requirements and expectations through continual improvement of the Quality Management System (QMS). The Company attained ISO14001 certification in environmental management in 2010 signifying its commitment to conduct its business with due consideration to sustainable use of natural resources so as to conserving the environment for progeny. More recently, in 2015, the Company attained certification in Laboratory Management System to ensure that its laboratories are internationally accredited.

## HISTORY

SonySugar brand is owned by South Nyanza Sugar Company Limited, a Kenyan company established in 1976 under the State Corporations Act as a government strategy to increase national sugar production, reduce dependence on sugar imports and enhance regional development in the south western part of Kenya.

The Company is a key player in the sugar sub-sector and serves more than 25,000 farmers in an expansive area spanning four counties – Migori, Homabay, Kisii and Narok. Southwestern Kenya is endowed with ideal soils and climate for sugarcane growing. The Company owns close to 14% of the area under cane while out-grower farmers contribute 86%, making South Nyanza Sugar Company a major source of economic empowerment in the region.

The Company was established at a time when marketing and distribution of all sugar produced in Kenya was done through a Government institution, Kenya National Trading Corporation (KNTC). In 1995 when KNTC was dismantled and sugar factories had to develop own markets for their produce, SonySugar was the first miller brand to hit the market through direct sales to wholesalers.

From inception to 2001, sugar was basically a commodity sold in bulk format in 100kg and 50kg bags. At the retail level, sugar was re-packed in non-branded brown paper or polythene packets of various sizes by the shop owner. Consumers were consequently excluded from making a brand choice.

Branded SonySugar was first introduced in July 2001 at a trade fair in Kisumu City, and, in October 2002, a more extensive brand launch complemented by pack re-design and a print and radio campaign followed. Branded sugar sachet was launched in July 2004, targeting the hospitality, airline and health industries. The



brown sugar variant was launched in December 2008 accompanied by a new advertising campaign referred to as "My Sweetie", which uses the nostalgic seventies track by Bunny Mac.

The brand has grown considerably since its first launch to become a major seller. The Company has continually invested in packing technology to meet the high consumer demand and 40% of sugar packed is branded. With the increased demand for the branded consumer pack, the Company plans to convert 50% of all its production to branded sugar.

## PRODUCT

SonySugar is a unique granular sugar made from clean, fresh, mature cane. SonySugar offers two choices to the consumer. The irresistible SonySugar White with an appetising aroma is tastefully packed and stands out on the shelf. SonySugar Brown has added nutritional value as a result of minerals derived from residual molasses content. The presence of trace molasses gives SonySugar Brown its distinctive colour and sweetness.

SonySugar is packed in consumer packs ranging from 5kg, 2kg, 1kg, ½ kg, ¼ kg, to 6gm sachets.

## RECENT DEVELOPMENTS

Recent retail trends have seen growth in consumer traffic into supermarkets and hypermarkets, and the key strategy for SonySugar is to grow its share of supermarket shelf. This is the underlying reason for the consistent marketing spend behind the brand which, coupled with factory optimisation, should increase SonySugar share of market in the branded consumer pack segment.

In its endeavour to develop partnership with its customers, the Company opened a regional sales office in Kisumu City in November 2009 and established a depot to effectively serve this market in June 2012. The office and depot play a significant role in closing gaps in distribution and ensuring that the brand is consistently available on the shelves. Sales in the region served by the Kisumu depot have increased fourfold, thus significantly contributing to overall profitability.

The Company's strategic plan 2009-2014, which formed the strategic direction in the years of the brand's re-launch, has been replaced with strategic plan 2014-2019. The 2014-2019 focuses on building the brand's market locally and abroad, expanding the sugar product range and creating value addition in the by-products of the sugar process. The new expanded revenue streams are envisaged in electric power co-generation, ethanol production and its derivatives and conversion of bagasse to other value adds such as briquettes and fibre board.

## PROMOTION

SonySugar is recognised in the market as the brand with a unique and interesting advertising campaign. The television advertising campaign, developed in 2008, was revamped in year 2010 with the objective of developing a strong brand image and creating an emotional bond with its consumers. The popular soul track "You are my sweetie..." struck a nostalgic note with the older target group yet remained exciting for younger consumers who continue to enjoy soul music of the 1970s. The brand slogan "Simply The Sweetest" is true to the brand, as SonySugar is



known for its distinctive sweetness and delivers on the brand promise of sweetness.

A new advertising campaign is in development to further strengthen the brand and develop its emotional heritage. The new campaign will close the marketing gap resulting from the functional brand positioning. The brand is advertised across all media - television, radio, daily newspapers, billboards, sales vans, shop branding and in-store. To capture the young tech-savvy consumers, the brand will maintain a strong social media presence.

## BRAND VALUES

SonySugar brand stands out on the shelf as a clean, high quality and authentic product. The brand values are quality, aspiration, value for money and integrity. It is perceived as a brand that delivers on its sweetness promise. A survey conducted in October/November 2009 indicates that it is the brand that is most associated with distinctive sweetness. SonySugar's personality is:-

- Confident
- Loveable
- Charming
- Authentically Kenyan

Annual customer satisfaction survey carried out in February/March 2015 indicated that the satisfaction index is on a growth trend with 74.8% of customers interviewed indicating they are satisfied with the brand. A significant 72% of customers interviewed indicated they were likely to recommend the brand in future.

The brand logo - two stalks of healthy sugarcane joined by a gold ribbon - conveys its rich distinctive quality, a key commitment of the brand. The brand colours of gold, chocolate and green are appetising and make SonySugar an easy pick from the shelf.

The Company has implemented a stringent system of quality checks right from receiving of cane, through the entire milling process and packaging to ensure that each pack of sugar reaching the final consumer is consistent in all aspects of quality – sugar colour, size of sugar crystals, moisture content and pack integrity.

 **Sonysugar**  
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### Things you didn't know about SONYSUGAR

SonySugar is 100% Kenyan and has no relation to Sony Electronics.

SonySugar was the first locally made sugar to be launched in sachets.

"SonySugar Simply The Sweetest™" is a registered trademark.