

MUMIAS SUGAR

Natural Kenyan Sweetness

THE MARKET

Mumias Sugar Company (MSC) is a leading sugar producer in Kenya and a public company listed on the Nairobi Stock Exchange. Mumias packages sugar in various units of consumption, targeting both upper and lower market segments. With an annual crushing capacity of 2.5 million tons of cane and sugar production capacity of 300,000 metric tonnes, MSC's sales turnover in 2006 was 165 million US dollars.

Mumias sugar is packaged in selling units ranging from 2kg to 5g sachets. The company commands 60 percent market share, having taken full advantage of the modern retailing trends that show consumers shifting to miniature packs in the fast moving consumer goods (FMCG) arena.

MSC plans to expand into the East African region and aims to be the most dominant player in the industry in the next five years.

ACHIEVEMENTS

MSC was the pioneer of branding in the sugar industry. This arose out of the desire to move sugar from the area of commodity to that of brand. In 2001, MSC won the coveted Marketing Society of Kenya Warrior Award for the best/outstanding launch for its branded sugar.

In 2004, the Marketing Society of Kenya recognised the effort by MSC during the launch of branded mini packs of 250g and 500g, and awarded it a runner up Warrior Award for the most successful launch.

MSC was the 2005 COYA (Company of the Year Award) winner in the category of "Excellence and Integrity in Sales and Marketing". In addition, the



company achieved ISO 9001:2000 certification in 2006 to fulfil its vision of being a world class producer of sugar and energy.

HISTORY

Mumias Sugar Company has come a long way to become one of the most respected companies not just in Kenya, but in East and Central Africa. In the sixties, the Kenya Government tasked a British firm, Booker Agriculture International (BAI), with carrying out feasibility studies in Western Kenya with a view to producing sugar.

The move was designed to fulfil the new Government's policy of Import Substitution and also to improve the socio-economic life of the communities living in the region. This gave birth to Mumias Sugar Company (MSC), located in the current Mumias District of Western Province, Kenya. MSC commenced sugar production in 1973.

Initially, the factory's milling capacity was designed to handle only 175 tons of cane per hour (TCH). The Company's Nucleus Estate - with a total size of 3,908 hectares - provided the bulk of the sugar cane to the factory, supplemented by a few out-grower farmers contracted to grow cane on behalf of the company.

In 1978 with the installation of another mill in tandem, the factory capacity was expanded by 175 TCH. This raised the factory's cane crushing

capacity to 350 TCH and 92,500Mt of sugar per annum. A feasibility study was conducted, and between 1995 and 1997 a modern cane extraction plant was installed. The diffuser was built and began operation. The installed capacity of this new plant is 350 TCH - the equivalent of 109,630.76Mt per annum. The diffuser increased sugar production in Mumias from 219,731 tons to 302,002.49 tons a year in 2006, making Mumias Sugar one of the largest sugar producing companies in the region.

Mumias Sugar accounts for 60 percent of all sugar produced in the country.

In the earlier years, MSC relied on Government for protection via strict import controls and regulation. With the advent of Free Trade Protocols and market liberalisation in the 1990s, MSC was literally brought to its knees due to influx of cheaper imports. However, the imported sugar threat has been effectively neutralised by branding. With branding and the creation of brand values, MSC has continued to outperform imported sugar which is sold as a commodity at much lower prices.

Mumias sugar was first packed in a 100kg bag, later reduced to 50kg. In 2001 branded sugar was introduced in 2kg and 1kg packs, followed by 500g and 250g in 2004. Sachets of 7.5g and 5g were introduced to the market in 2006.

RECENT DEVELOPMENTS

MSC is currently undertaking a feasibility study in Tana River, in conjunction with Tana and Athi Rivers Development Authority (TARDA). The objective of the study is to evaluate the viability





of establishing an integrated sugar company incorporating production of sugar, power alcohol and co-generation on the lower Tana basin.

More immediate is the on-going project to generate 35mw of electricity using existing biogases from the sugar mill at Mumias. Civil works for the power plant have commenced, with the project expected to be commissioned in November 2008. At this time MSC will be able to export 25mw of electricity to the national grid.

Plans are also underway to increase branded sugar from the current 30 percent to 70 percent through the acquisition of state-of-the-art machinery. This will ensure that all stock keeping units (SKUs) are available to all socio-economic classes.

THE PRODUCT

Mumias sugar consists of white and brown sugar. The brown sugar is ideal for use in cereals, baking and hot beverages. Mumias sugar is packed in attractive packages of 50kg bag, 2kg, 1kg, 500g, 250g, 7.5g and 5g. The product is of high quality and is perceived by the consumer as the sugar premium brand.

Plans are underway to re-design the product packaging to a more appealing stand up porch which increases visibility on the shelves.

PROMOTION

Over the past five years since it started branding, Mumias Sugar has engaged in many promotions. Among these have been the “mystery shopper” which rewards consumers found buying Mumias Sugar with cash. In addition, there have been major consumer and trade promotions like Zawadi Tamu, Faida Tamu, Utamu Halisi and Maisha Tamu, once a year for a duration of four months.

The Mumias brand has undergone a slogan evolution from “Natural Sweetness, 100% Kenyan” to “Natural Kenyan Sweetness”.

MSC advertises its brand across television, print and outdoor media. Thematic TV ads include “Great Mums”, “Great Dads” and “Great Homes”. The most memorable TV communication was the sponsorship of the satirical comedy “Papa Shirandula”. Other programmes sponsored by Mumias Sugar include the hilarious “Vitimbi”, and “El Cuerpo” a Spanish soap opera.

On radio, MSC has developed and run striking radio jingles for Ramadan, Christmas, Diwali and Valentine’s Day, with press ads for the same celebrations. A new campaign dubbed “The Future of Kenya” was developed to depict the vibrant, energetic and dynamic nature that lies in our children. The concept was used in MSC’s 2008 calendars.

In addition, during the launch of a new product, MSC engages mobile cinemas to reach out to the target market. Recently, major supermarkets stocking Mumias Sugar have been enhanced with appealing branded POS units. The brand presence can be felt through strategically placed outdoor media including mileage and directional signs, branded city clocks and bus shelters.

BRAND VALUES

The Mumias sugar brand is perceived in psychographic terms as caring, loving, prestigious, family-centred and healthy. The product is known for:

- Guaranteed weight
- Cleanliness and high hygiene levels
- Consistency of quality
- A variety of sizes to suit every need
- Attractive packaging
- High availability

The brand is committed to building a strong Mumias Sugar constituency in the minds of both youth and mothers, via longer term, value-adding interactions with the community.

There are a number of sponsorship activities planned to capture the imagination, minds and hearts of the youth, women, teachers and students.

MSC has a Quality Assurance division that is responsible for consistency in the overall product quality.

MUMIAS SUGAR
maisha Tamu
Promotion

1ST PRIZE
2ND PRIZE
3RD PRIZE

KSHS 2.5 MILLION SCHOOL FEES

HOW TO WIN

Discover the sweet way to win... in the Mumias Sugar Maisha Tamu Promotion. To enter, just buy one or two kilo pack of Mumias Sugar. On it, you will find a serial number. Dial 0900 555 444, give the serial number and follow the instructions to enter. **Make sure you keep your empty packet with the winning serial number as proof of purchase, in order to redeem your prize.**

There are thousands of wonderful prizes to be won, a VW Vento 1.0 litre saloon car, KShs 2.5 million in hard cash, Samsung fridges and much more. Also, every two weeks, there will be chances for you to win school fees worth KShs 2.5 million, gas cookers, Samsung 21" plasma TV's, microwaves, airtime worth half a million, mobile phones, T-shirts and caps. Pick a pack of Mumias Sugar today and change your life.

Swallow your life with the Mumias Sugar Maisha Tamu Promotion. For more information, call customer service: 020 341510. Remember, only one entry per serial number, that means you too, for the greater chances of winning! The competition closes on 15th March, 2006.

Employees of Mumias Sugar Company, Nuhun Station, Interactive Media Services and their families are not eligible to enter. Judges decide in final. This promotion is powered by Interactive Media Services and the cost of main call is KShs 30.00

MUMIAS SUGAR
Natural Kenyan Sweetness

MUMIAS SUGAR
Faida Tamu
Promotion

1ST PRIZE
2ND PRIZE

chance to win 6 brand new Nissan Hardbody 2.4 litre pickups in the Mumias Sugar Faida Tamu Promotion. To enter, simply buy a 50kg bag or a bale of Mumias Sugar. In it, you will find a coupon with a serial number. Dial 0900 555 444, give the serial number and follow the instructions to enter. **Make sure you keep your coupon as proof of purchase, in order to redeem your prize.** You could win lots of fabulous prizes including six Tuk Tuk's, six 100cc motorcycles, six Samsung flat-screen TVs, solar panels, bicycles and generators. Buy Mumias Sugar today and change your life.

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THINGS YOU DIDN'T KNOW ABOUT MUMIAS SUGAR

- Customers are often heard complaining in a supermarket because there is “no sugar”, even when other sugar brands are available. Sugar literally is Mumias Sugar in Kenya
- MSC exports ten percent of its sugar to neighbouring Uganda, Sudan, Rwanda and Ethiopia
- MSC signed a ten-year agreement in 2006 for sale of “Carbon Credits” with Japanese Carbon Finance Limited effective in 2009