

Señorío de Montanera positioning on Japanese market

"In the framework of the study visit organised by FUNDECYT-PCTEX in Extremadura (Spain) last December, a case study capture the attention of the partnership due to its interesting balance between tradition and innovation in the access to international markets.



Photo: <https://tienda.senorio.es/es/>

Is the case of Señorío de Montanera (<http://senorio.es/en/>), a company owned by a group of 75 members (Iberian pig farmers) and created in 1992 from a traditional livestock activity.



Photo: <http://www.gourmetvinos.com/articulo.php?ID=167>

As a consequence of the commitment for business cooperation among the Señorío de Montanera's partners, it was decided to implement an integral business model, beyond reproduction and fattening, that incorporates all the stages involved in the cycle (production, industrial transformation and commercialization), with the aim of creating and retaining the highest added value along its value chain.

The main product range of Señorío de Montanera's brand includes Iberian acorn hams as well as a well-developed range of "embutidos" (other cured products derived). With this traditional range of products, the company has placed its products in the main points of sale (retailers) through an efficient positioning strategy, both in the domestic market and in selected international markets (eg UK), based fundamentally in the quality of its products and in its business management system.



Photo of Francisco Espárrago, curtesy of Señorío de Montanera

Based on the positioning of the traditional range of products in the national and key international markets, in 2007 the company started to develop an Internationalisation Strategy specialized in a concrete product/market consisting of customizing raw meat products from Iberian pork's for the Japanese market.

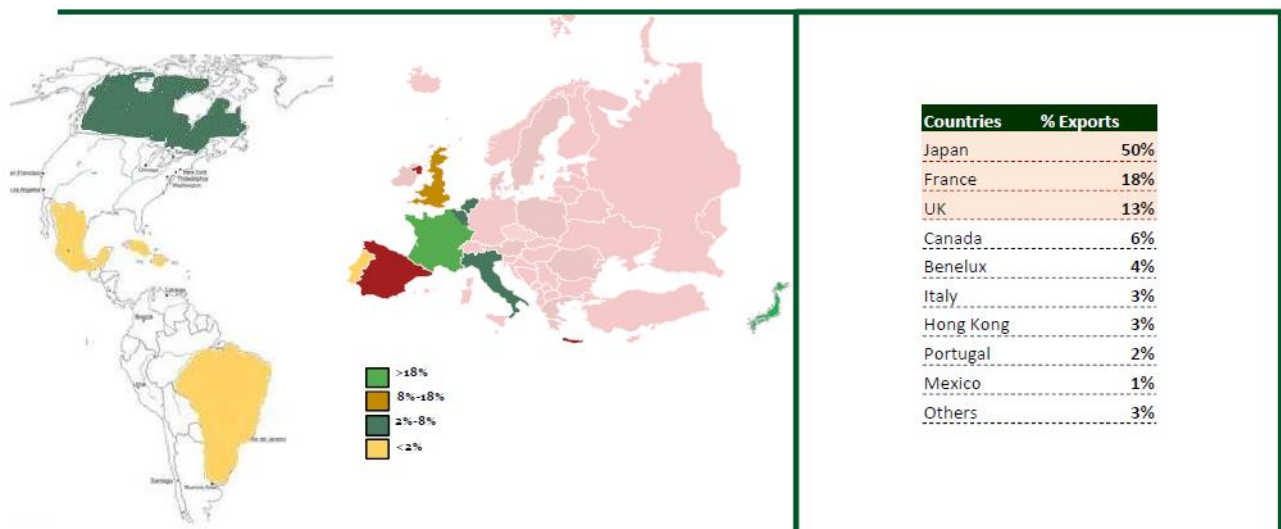


Image: Study visit presentation of GP: Señorío de Montanera

The reason why Señorío de Montanera decided to face the new product/market strategy was the idea that high quality products that are cheap in the domestic market or considered as by-products can be a gourmet product in certain markets.

The opportunity offered by the Japanese market was identified by means of the following key aspects:

- Through other competitors (competition analysis), we detected that Iberian raw meat sales were made to high purchasing power markets, very demanding in quality and traceability.
- Iberian raw pork meat is a high quality product that 10-15 years ago was considered a low-priced by-product in Spain.
- Iberian meat is very remindful to traditional Japanese meats.
- Red meats, with high level of fat -intra and extra muscular- (pure Iberian breed), meat coming from adult pigs (more than one year), and with a fatty acid profile with a high percentage of oleic acid, makes it ideal to be cooked, boiled or lightly grilled, as the Japanese do with the most appreciated meats (either from Japanese origin or imported).

Once this opportunity was detected, the main importers of meat in Japan were identified and the first commercial missions were started.

"We were used to the British consumers, who came to Spain, tasted our product and wanted to be able to buy the very same thing back home. With Japanese market, they appreciated our quality, but wanted us to deliver certain positions of meat packaged in a unique way – something we weren't used to and would never produce for the domestic market."

Francisco Espárrago

Señorío de Montanera made use of different instruments offered both by Extremadura Avante and the Chamber of Commerce in order to access this new market. Also, several R&D projects were carried out in order to adapt the product to the need of the Japanese market.

Is Japan a completely different market, which requires a completely different approach and business model if compared to the European market?

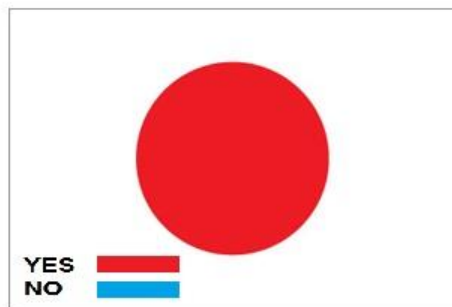


Image: MRA archive

To sum up, and based on these arguments, this case is considered as a good practice because of the effort and business cooperation commitment between the partners of the company that succeed in evolving from a traditional model (only breeding and fattening) to the integration of all stages in the production cycle (production, industrial transformation, commercialization -national and international scope-). In addition, the innovation at organisational level was a key factor, with the creation of an Export Department and a Quality Management Department, to meet the demand of the Japanese market, customising the process from the offer to the demand."