

CASE STUDY

UMAJI COOPERATIVE

Teaching Notes

1. Overview

This case illustrates how a small village can escape from its socio-economic impoverishment and seek a way for long-term sustainable socio-economic growth, by utilizing resources readily available in the region.

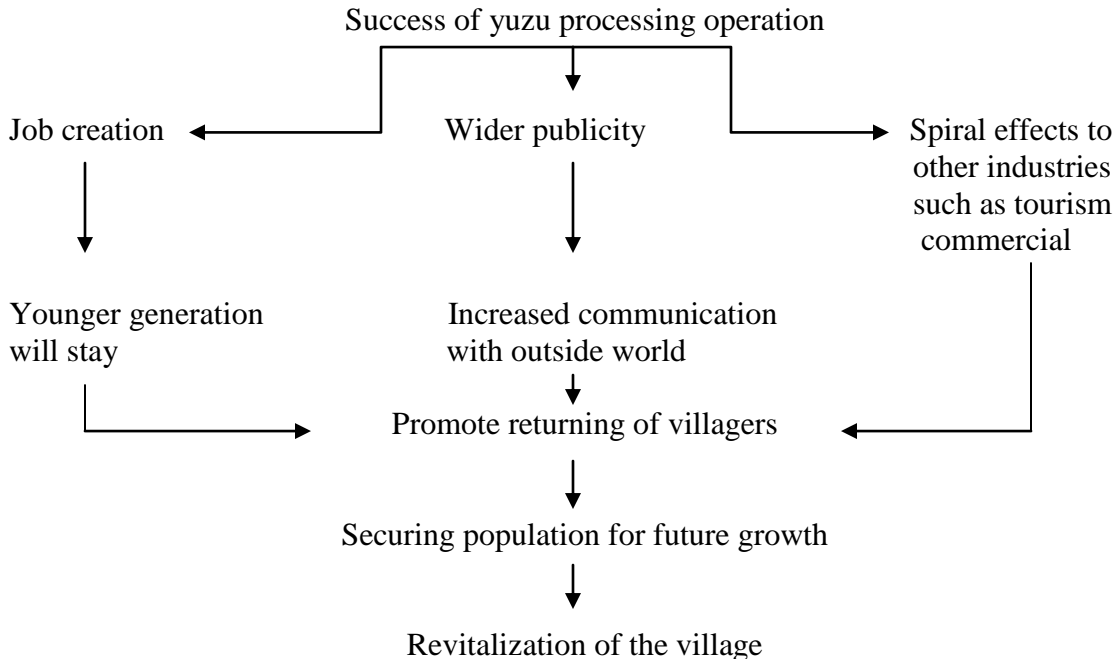
One common problem among developed nations is the aging and declining population, while among developing countries the issue is wealth disparity between the rural and urban areas.

However this case, being a good example of how a small village managed to achieve self-sustaining economic growth can be applicable to both developed and developing countries.

2. Type of Course: Marketing and Business Development

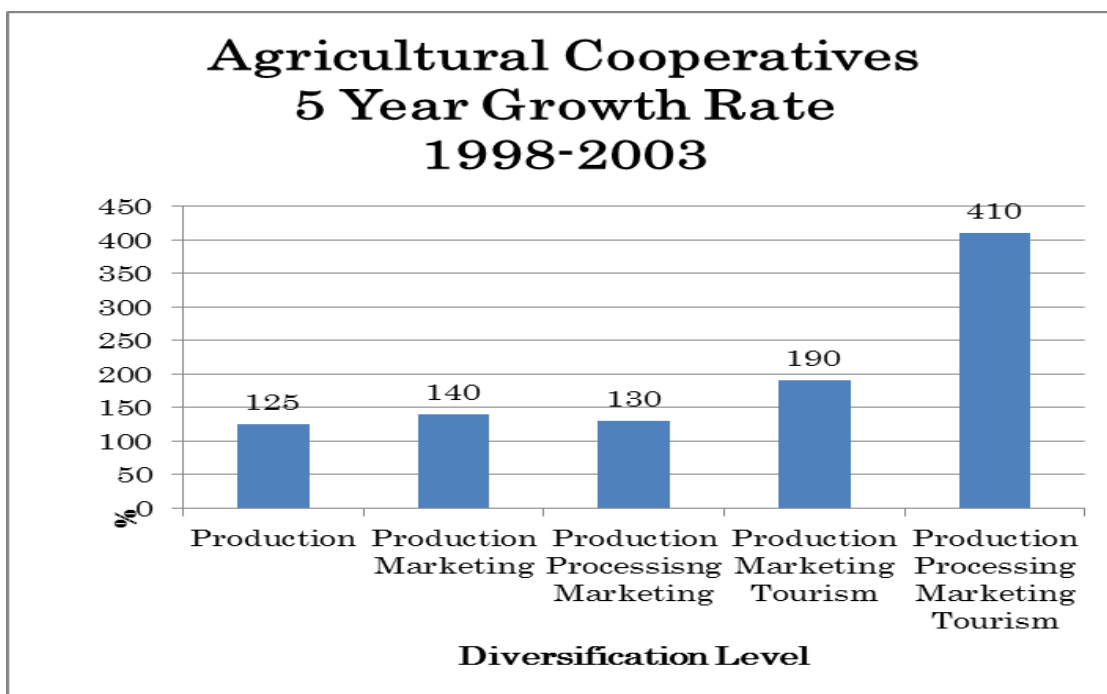
3. Teaching Objectives:

1) Spiral Effects of the Yuzu Processing Business



2) Impact of diversification and spiral effects

As indicated in the chart below, the combination of production, processing, marketing, and tourism created maximum revenue for an agricultural village cooperative.



Source: the Ministry of Agriculture, Forestry and Fisheries 2004 White Book

4. Suggested Time Allocation Plan

- Introduction 10 min
- Discuss underlying issues 15 min
- Discuss the essence of advertisement and marketing such as: 15 min
 - 1) Catchy Headline
 - 2) Powerful Imagery
 - 3) Benefit of the Reader
 - 4) Internet marketing
 - 5) Telephone marketing
- What are the success factors of Umaji's Cooperative? 10 min
- What advice will you recommend for the future growth? 20 min
 - (such as international marketing and further diversification)
- Wrap up (**explain the spiral effects and diversification**) 10 min

5. Guide Questions and Possible Answers

1) Q. What are the key factors of the success?

Answer:

- ✧ Shift from sale of raw fruits to production of value added goods.
- ✧ Persistent and relentless efforts of the cooperative's members.

- ✧ Consumer preference for organic/healthy products.
- ✧ Maximizing the advantages of using the Internet and courier service.
- ✧ Product differentiation
- ✧ Branding strategy.

2) Q. What course of marketing approach has Umaji taken?

A. Direct marketing and distribution

3) Q. What are the elements of direct marketing?

A. Internet (e-purchasing), courier service, and tele-marketing.

4) Q. What are the pros and cons of direct marketing?

A. No specific answers. Let the class bring about the discussion through its answers.

5) Q. How does this case apply to your country?

A. No specific answers. Let the class discussions bring about the answers.

6. Supplementary Readings

“Development of Agricultural Cooperatives, Relevance of Japanese Experiences to Developing Countries”, Rural Development and Management Center, Feb. 2003, available in the Internet.