

DEFINITION AND IMPLEMENTATION OF A STRATEGY FOR THE DEVELOPMENT AND COMMERCIALIZATION OF MERCHANDISE FOR MADAGASCAR NATIONAL PARKS

TERMS OF REFERENCE

I. CONTEXT

Madagascar National Parks (MNP) is an association recognized as a public utility (association reconnue d'utilité publique, ARUP), delegated by the state, leading the conservation and sustainable management of Madagascar's network of National Parks and Reserves. Critically, its mission involves value-creation through tourism activities in National Parks, including the development and optimization of diverse, high-quality services for visitors.

Today, Madagascar's national parks are among the country's top attractions thanks to their exceptional biodiversity. However, they face difficulties in generating sufficient revenues for the continued financing of activities designed to conserve that very biodiversity. Their tourism offer is insufficient both in terms of quality and variety. Importantly, the economic potential of products derived from national parks and their biodiversity (merchandise) is significantly under-developed. Very few national parks have shops selling products that are truly exclusive to a "Madagascar National Parks" image or brand. Existing products sold (in few parks) fail to appeal to a demanding international clientele. The effective commercialization of high-quality merchandise has the potential to generate notable revenues for MNP, as is seen in other national parks around the world.

The Integrated Growth Poles Project (PIC2), under an IDA/World Bank financing, is a Government of Madagascar initiative seeking to improve the national business environment and to stimulate key economic sectors – tourism and agribusiness – in selected geographical regions of the country.

With the objective of developing the tourism sector in its regions of intervention, the PIC2 project contributes to (i) strengthening and creating value for tourism assets, (ii) improving the quality of tourism services, and (iii) promoting investments in key tourist sites.

Under this framework, MNP, with PIC2 support, is recruiting an international consultant to provide technical assistance in the elaboration of a strategy for development and commercialization of MNP merchandise, a corresponding action plan, and their implementation with a focus on a number of pilot parks in the Diana and Atsimo-Andrefana regions of Madagascar.

II. OBJECTIVES

The objectives of the assignment are to:

- Increase revenues for Madagascar National Parks (MNP) through the optimization of merchandise sales in National Parks and other locations,
- Generate demand for MNP merchandise in National Parks and other locations,
- Generate and sustain a positive public image of Madagascar's National Parks and biodiversity at the national and international levels, and
- Improve the visibility of MNP and its activities through its merchandise.

The strategy will eventually be scaled up to apply to the entire national Protected Area network.

III. SCOPE OF WORK

The assignment will be focused on the following National Parks that will serve as pilots:

- Northern region: Montagne d'Ambre (MDA), Nosy Hara (NSH), Lokobe (LKB), Nosy Tanikely (NST)
- Southwest region: Isalo (ISL), Zombitse (ZBV) and Tsimanampetsotsa (TSP).

The strategy will focus only on derived products (merchandise) and will not be concerned with the number of visitors to parks or their entry fees. The strategy will cover:

- The definition of a line of products to be developed
- Production (manufacturing and related costs)
- Pricing policy
- Commercialization strategies, particularly through online channels
- Promotion
- Financing and profitability, through the development of a business plan.

The Consultant will work in close collaboration with a merchandise designer, also recruited by the PIC2 project/MNP, responsible for conceptualizing and creating the line of products.

IV. SPECIFIC TASKS

The assignment will consist of three key activities:

- Activity 1: Stocktaking of the current situation and initial drafting of a strategy for development and commercialization of MNP merchandise
- Activity 2: Definition of a strategy, a business plan and an action plan for MNP merchandise development
- Activity 3: Technical assistance in the implementation of the strategy and plans.

Activity 1: Stocktaking of the current situation and initial drafting of a strategy for development and commercialization of MNP merchandise (30 days)

a. Evaluation of the current situation and market potential:

Stocktaking of the existing market (supply and demand) of MNP derived products for an evaluation of market potential:

- Collection and analysis of available data on the sale of articles in MNP shops in National Parks: list of suppliers and corresponding contracts, evolution in sales and revenues generated for MNP over ten (10) years (2008-2018) and disaggregation by place of sale and type of product, seasonality, etc.
- Demand analysis: type of current clientele and their purchasing behavior, average spending on purchases, etc.
- Analysis of the existing offer (nature of products, prices, payment systems available, appropriateness for the market/demand, etc.) and of partner suppliers, in collaboration with the Designer
- Evaluation of the existing commercialization system (reselling, procurement, margins, payment modalities, etc.)
- Analysis of strengths and weaknesses of the current product sales model in certain parks, as well as the potential at MNP's Ecoshop in the capital (Antananarivo)
- Evaluation of market potential: potential sales volume per park and across the national network based on hypotheses to be developed.

For this step, the Consultant will meet the MNP Marketing and Partnerships team (DMP) at the central level. The Consultant will also visit the pilot parks to meet public-facing MNP agents in order to conduct a survey on visitor behaviors/habits/needs.

b. National and international benchmarking:

The Consultant will:

- Conduct a benchmarking of at least three (3) parks from similar contexts (Africa) in terms of their product development strategies: product types, clientele, pricing policy, revenues generated, commercialization strategies, etc.
- Identify and list good practices from African and international parks in this area: management models, promotional efforts, etc.

The benchmarking task will integrate an analysis conducted by the Designer on the nature of products sold by park management organizations in the relevant countries: design, quality, materials, production methods, supply/procurement methods, etc.

Activity 2: Definition of a strategy, business plan and action plan for MNP merchandise development (40 days)

c. Definition of a strategy for the development and commercialization of MNP merchandise:

Based on the conclusions of the preceding tasks, the Consultant will propose a merchandising strategy including the 4Ps (product, price, promotion, place):

- Product: proposed product lines, linked concepts, ranges, target markets, identification of suppliers and other partners, indicative production costs, etc.
- Price: sales prices, payment systems, revenue management, etc.
- Commercialization: direct/indirect sales, online sales, reseller commissions, etc.
- Concept for shops inside the pilot parks, and proposed management models
- Promotion and launch of the range(s).

These tasks will be conducted in consultation with MNP teams at the central and pilot park levels, and the Consultant will present to the PIC2 and MNP teams for validation.

d. Definition of a business plan and an action plan:

This step consists of conducting a feasibility and profitability study on the proposed merchandise development. It should include:

- A review of the current MNP Strategic Plan and the section dedicated to tourism-related revenues
- Translation of the strategy into figures: sales objectives, expected revenues and profits, market evolution (supply and demand), distribution of revenues and profits by type of product, etc.
- Identification and evaluation of the investments and partnerships required for the implementation of the strategy
- Identification and evaluation of the costs linked to the proposed merchandise development
- Definition of a clear and precise action plan, with a timeline and budget.

The strategy, business plan and action plan will be presented to the MNP and PIC teams for validation. The final versions will be presented to MNP's key partners (IFC, KfW, etc.) in order to gauge/confirm their respective engagements for implementation and financing.

Activity 3: Technical assistance for implementation (20 days)

In order to support MNP in launching or efficiently outsourcing the production and commercialization of the products, the Consultant will:

- Develop an operational guide, including document templates (e.g. calls for proposals, specifications for each activity, lists of suppliers, service providers, potential partners, contract models, suppliers' specifications, catalogue of products to be put on sale, etc.)
- Conduct an evaluation of the needs of actors in the value chain for commercialization of the proposed product line, including, for instance, training, design, management, marketing, negotiation, merchandising, materials, etc.

V. EXPECTED RESULTS

By the end of the assignment, it is expected that MNP will have:

- A clear strategy for the development and commercialization of MNP derived products (merchandise), contributing to an increase in its revenues and growing its existing sales market;
- A line of products that is ready to be developed and commercialized, principally in the pilot parks;
- An identified group of producers and partners.

VI. OUTPUTS AND DELIVERABLES

The Consultant will produce the following deliverables:

- Deliverable 1: Stocktaking (evaluation of the current situation: financial, commercial, operational), evaluation of market potential and benchmark analysis
- Deliverable 2: Strategy for development and commercialization of merchandise, business plan and corresponding action plan
- Deliverable 3: Operational guides and documentation to support implementation of the action plan (contract models, specifications of suppliers/service providers, etc.)

VII. TIMELINE

The assignment is expected to require 90 man-days, over a maximum period of six (6) months, including site visits and debriefing sessions.

The assignment is expected to begin in **February 2020** and include at least three missions to Madagascar, corresponding to each activity described above.

VIII. ASSIGNMENT ORGANIZATION

The Consultant's interlocutors for this assignment will be the teams designated by MNP senior management, including the Marketing and Partnerships division (DMP) and the Technical Assistance division (AHT), as well as the tourism team of the PIC2 project implementation unit.

MNP is committed to making available to the Consultant all information, data and support required for conducting this assignment. This includes information on the current Strategic Plan, ongoing management and/or supply contracts of existing MNP shops (Ecoshops), and regulatory and fiscal matters relating to the sale of merchandise in Madagascar.

MNP will take all administrative and operational steps required for the implementation of the strategy and action plan developed under this assignment, once validated.

The Consultant will report to MNP and to the PIC2 project implementation unit.

IX. REQUIRED QUALIFICATIONS

The following qualifications are required:

- A graduate degree in the field of commerce, business, management of marketing/cultural/environmental projects, or other relevant fields
- At least 10 years of proven professional experience in the above field(s)
- Proven experience in merchandising, either in tourism, culture, sport and/or national parks
- Good knowledge of the tourism sector and national parks globally, but particularly in Africa
- Excellent capacity for synthesis, and openness to innovation.