Wits Business Review
ISSN(Print): 3093-4818
ISSN(Online): 3093-4826
Volume 1, 2025

Case Study

Sankofa Naturals: A Health and Wellness Odyssey into the Heart of Oceans

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Abstract

In April 2024, Douglas Kwoyigah, chief executive officer of Ghana's Heart of Oceans Industries, faced a defining choice. His company, famed for its "Sankofa* Naturals" superfood juices, had outgrown its local success. The vast West African market awaited but so did entrenched multinational competitors. His dilemma was strategic: should he risk a brand-led invasion, championing their authentic African heritage to win consumers' hearts? Or pursue a pragmatic white-label path, producing for established retailers to gain scale and capital, even if it meant temporarily erasing the very Sankofa brand soul they had worked so hard to build?

Keywords: *Organic Fruit Juice; Heart of Oceans; Business Strategy; New Venture Creation; Sankofa Natural*

Introduction to Heart of Oceans

Heart of Oceans Industries Limited (HOC) carved its niche in the food and beverage sector through its flagship Sankofa Naturals brand, inspired by the increasing demand for organic juice beverages. A key emerging trend in beverage markets globally has been the quest for natural ingredients and products driven by consumers' consciousness for health and well-being (Renfrew, 2016). By introducing two distinctive products sourced from tamarind and baobab fruits, the company not only satisfied the cravings of health-conscious consumers but also positioned itself to capitalise on the value these specialty products bring to the table. Having acquired approval from the Food and Drug Authority (FDA) of Ghana, HOC strove to comply with the standards set by the regulators for its Sankofa Naturals product line. This included mitigating against any regulatory risks that could potentially result in compliance fines and recalls.

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* *Sankofa* in the title reflect Heart of Oceans' philosophy of returning to ancestral knowledge and practices—particularly the use of organic, healing fruit juices—as a foundation for innovation and future growth. The concept, rooted in Akan tradition, symbolises the act of looking to the past to guide the future, aligning with HOC's mission to revive indigenous wisdom in a modern, sustainable form.

As the West African sub-region experienced a seismic shift towards healthier drinks (Derkyi et al., 2018), HOC was poised to seize a significant revenue opportunity through Sankofa Naturals. With a value-based pricing approach, HOC recognised the inherent worth of its organic beverages, deriving its pricing from the unique benefits offered to consumers. Beyond the West African shores, the company envisioned expanding Sankofa Naturals market share across Africa, cognisant of the financial implications of scaling operations in response to a sizable demographic eschewing conventional sugary drink. (See **Exhibit 1** for the two main Sankofa Naturals products released by HOC in their organic fruit juice range).

West African Market Potential[†]

Historically, the West African sub-region had a rich tapestry of indulging in traditional organic beverages such as the hibiscus-based "Zobo" or "Sobolo" drink, the "Dawadawa" (fermented locust beans), "Prekese", and palm wine. In recent times, however, nectar juices made from fruits like mango, guava and passion fruit had gained traction. While these pulpy nectar-based beverages were rich and texturally delightful, they often had a higher sugar content and relatively fewer nutritional benefits than pure fruit juices[‡]. Consequently, they may not have aligned well with the growing health-conscious ethos of modern consumers. Against this backdrop, a new trend emerged of a pronounced preference for organic fruit juices, notably those made from tamarind and baobab (see **Exhibit 2**). These juices captured the essence of the fruit and offered greater nutritional value, thereby satisfying the global shift towards healthier beverage options.

Intricately intertwined with health consciousness was the region's rapid urbanisation. Nigeria and Ghana, recognised as West African economic powerhouses, stood at the vanguard of this urban boom. Cities such as Lagos and Accra burgeoned in terms of population and were melting pots of local and global culture. With increasing exposure to international health trends and easier access to health-related information, urban dwellers in these metropolises were becoming discerning consumers, actively seeking out healthier beverage alternatives. The cosmopolitan populace, with its higher disposable income and global exposure, craved quality and uniqueness in flavour, which was precisely what HOC offered with its tamarind and baobab-based juices.

Coinciding with this urban shift was the rise of the middle class. As Nigeria and Ghana experienced robust economic growth, there was a growing middle class with increased purchasing power (AfDB, 2011; Tetteh, 2016). This demographic, characterised by aspirational tendencies, revealed a preference for premium products. It was willing to pay a premium for goods that resonated with health and wellness values. The organic juice category, especially that produced with stringent quality controls and sustainable methods, aligned perfectly with the aspirations of the middle class. Furthermore, local influencers and celebrities endorsing organic and natural lifestyles on social media platforms also played a pivotal role. Their advocacy for healthier alternatives resonated with their large follower base, significantly boosting the appeal of products like organic juices.

Finally, the West African sub-region's biodiversity was a treasure trove of unique flavours and health benefits. Apart from tamarind and baobab, the region boasted a plethora of other fruits and plants, each with its distinct taste and nutritional attributes. To mention but a few:

- Moringa: Hailed as the 'miracle tree', moringa leaves were rich in vitamins and minerals. They had been traditionally used in teas but also had immense potential in the organic juice segment;

- Hibiscus (Sorrel): Widely consumed as 'Sobolo' in Ghana and 'Zobo' drink in Nigeria, hibiscus had a tangy flavour and was believed to offer several health benefits, including regulating blood pressure;

[†] West Africa is made up of 16 countries with an estimated population of 460 million people as of 2024. The region accounts for $900 billion of Africa's GDP with the largest economy, Nigeria contributing 60%, followed by Ghana with 15% of the national output. The region is the most ethnically diverse on earth with more than 2500 languages and a wide distribution of geographic and climatic conditions.

[‡] The content of pure fruit juice in nectars can be as low as 25% (Neves, 2012). Unlike pure fruit juices, nectar contains additives such as colouring, sweeteners and preservatives. This is because additives may be cheaper than the solids of the fruit itself.

- Soursop: Known for its creamy texture and blend of strawberry and pineapple flavours, soursop was rich in Vitamin C and antioxidants. It also had potential anti-cancer properties; and

- Tetrapleura tetraptera: Known in Ghana as ‘Prekese’ (Derkyi et al. 2018). Boasting a pleasant fragrance, multiple vitamins and medicinal properties (including for asthma and hypertension), the plant had been used as a natural sugar in flavouring soft drinks and as a spice in cooking soups (e.g., Banga/ Abenkwan/palm nut soups).

This immense endowment meant that there was potential for local sourcing, which added a touch of authenticity and ensured shorter supply chains and thus fresher products for the end consumer. In sum, the sub-region stood at the cusp of an organic beverage revolution. The confluence of health trends, rapid urbanisation, middle-class growth, digital influencers, and local biodiversity provided an opportune environment for HOC to enter and thrive in this promising market.

The Nature of the African Organic Juice Market

The landscape of Africa’s organic juice market was dynamic and varied. East Africa, while still in the early stages of the organic beverage revolution, revealed some green shoots of demand[§]. Rising urbanisation, especially in cities like Nairobi, was ushering in new consumer behaviours. As more people migrated to urban areas, there was an increasing intersection of traditional African dietary habits with Western health trends, driving curiosity and interest in organic beverages. Southern Africa had been playing a vanguard role in this organic transition. Led predominantly by South Africa, the region had demonstrated a burgeoning appetite for organic products. Meanwhile, Central Africa remained an untapped market. Nonetheless, its rich rainforests and unique fruits presented exciting opportunities for innovative organic beverage concoctions.

What bolstered Africa’s positioning as a hotspot for the organic juice market was its rich biodiversity. Indigenous fruits such as baobab, tamarind, marula, and mongongo had been staples in local diets for generations. As these fruits gained global recognition for their health benefits and unique taste profiles, Africa stood uniquely positioned to leverage its native produce both for domestic consumption and export. Another compelling argument for the continent’s organic juice market potential was its demographic profile. About 70% of sub-Saharan Africa’s population was under the age of 30. This vast consumer base was not only health-conscious but also valued sustainability and organic farming. Also, this youth bulge, with its tech-savviness and global exposure, was set to steer the continent’s consumption patterns for decades.

Beyond the West African sub-region, the broader African continent appeared to be poised for significant growth in the organic juice sector. The combination of shifting consumer trends, favourable demographics and unparalleled biodiversity made Africa an exciting frontier for companies like HOC.

Segmentation and Marketing

As Kwoyigah explained: “An initial step in assuring the aptness of strategic choices lies in discerning which consumers will achieve the maximum satisfaction by choosing our Sankofa Naturals above alternatives.” Therefore, a meticulous understanding of market segments and the precise target demographic was not just a marketing prerogative but a cornerstone of financial prudence.

For HOC, the rise of the middle class in West and Southern African major cities such as Accra, Johannesburg and Lagos, driven by increasing disposable incomes and rapid urbanisation, presented a significant market

[§]A recent study on the western parts of Kenya found that consumers had a positive preference and were willing to pay a premium price for artisanal fruit juices that contained single fruits and lacked additives such as preservatives, flavouring and colourants (Otieno & Nyikal, 2017). Meanwhile, urbanisation and growing incomes in urban Uganda had seen the demand for fresh fruit juice exceeding supply. This excess demand was satisfied through imports, while a few big companies, such as Britannia, Coca-Cola, and Sameer Agriculture Livestock, had introduced brands to seize this market opportunity (Elepu et al. 2016).

opportunity for Sankofa Naturals. The target market for HOC's organic juices crystallised as young adults, primarily between the ages of 15 and 65, residing chiefly in the urban and peri-urban regions of West and Southern Africa. These individuals, predominantly from the blossoming middle class, valued health, well-being and sustainability. They sought authentic, natural products that reflected African heritage, making them a prime target for Sankofa Naturals organic juices.

To connect with this target market, HOC ensured that its Sankofa Naturals branding strategy focused on emotional connection, authenticity and African heritage. The Sankofa Naturals brand embodied a unique blend of Africa's natural splendour and the contemporary world's quest for genuine, health-imbued products. By positioning Sankofa Naturals around authenticity, HOC catered to a premium segment willing to invest in authentic experiences, fostering brand trust and driving financial growth. In addition, as a company led by entrepreneurial academics and researchers, the value of personal experience in using the drink to boost concentration and thereby increase research productivity was a key part of the branding strategy (see **Exhibit 3**).

The company's marketing and promotional strategies for Sankofa Naturals were designed to resonate with its target audience. Storytelling, influencer collaborations, local engagement, digital strategies and educational campaigns played a crucial role in narrating a compelling brand story. By intertwining the Sankofa Naturals marketing strategy with financial acumen, HOC aimed to marry consumer sentiment with financial health, setting the stage for sustained growth and market dominance.

Pricing Strategy

HOC adopted a value-based pricing approach, where the price of its organic juices reflected the intangible value they offered, beyond their tangible ingredients. This approach communicated the brand's commitment to authenticity, African heritage and health benefits, and resonated with the growing middle class in West Africa. As indicated by HOC Senior Procurement Officer, Sylvia Amo-Asare, "Rapid fluctuations in exchange rates and an uncertain macroeconomic environment make it very difficult to control costs in West Africa." As such, pricing was not static but was influenced by market dynamics, consumer perceptions and competitive pressures. To navigate these factors, HOC conducted periodic market surveys to inform pricing decisions and ensure optimal revenue generation while solidifying brand positioning. By calibrating its pricing, HOC balanced profitability and brand perception, crafting a statement that reflected its promise and commitment to quality.

Distribution Channels

HOC's distribution strategy was tied to the company's financial health and market dynamics. The strategy included:

- High-end supermarkets and health stores in key metropolitan hubs (such as Accra, Techiman, Kumasi, Tamale, Abuja, Navrongo, Lagos) to enhance brand image and yield higher profit margins;
- E-commerce integration to tap into the burgeoning online consumer base, offering scalable operations, potentially lower overheads and direct-to-consumer sales;
- Collaboration with local distributors in West Africa to broaden market penetration, reduce costs and gain insights into local consumer behaviour;
- Partnerships with Food and Beverage (F&B) outlets to raise brand visibility and create additional revenue streams; and Educational institutions to expand reach, promise volume and benefit from bulk purchase agreements.

A focused and phased approach to distribution, starting with West Africa, represented a prudent financial decision to avoid premature expansion, mitigate regulatory differences and unforeseen compliance costs, thus ensuring financial sustainability.

Expansion and Growth Strategy

As HOC charted its course for pan-African dominance, the alignment of its strategic aspirations with financial prudence was vital. Every expansion move had not only to be rooted in market potential but also assessed for its financial implications. (**Exhibit 4** shows current data on the global presence of the Sankofa Naturals tamarind and baobab juice brands in its first decade.) Commencing with West Africa was as much a financial strategy as it was a market one. Countries like Nigeria and Ghana, rich with cultural synergies, were also characterised by economies of scale, given their sizable middle-class population. Thus, the Sankofa Naturals brand could achieve not just market penetration but also improve operational efficiencies and ensure a healthy return on investment (ROI). Positioned as a uniquely African brand, the continent accounted for about 43% of the signature organic juice, mainly in Nigeria, Ghana, South Africa and Kenya. This was followed closely by the biggest market in Latin America represented by Brazil, Chile and Argentina.

The management of Heart of Ocean had taken a cautious approach to expansion, hoping to dominate the African market before adopting aggressive campaigns in other regions. As Kwoyigah explained, "Without winning our home markets we cannot strategically hope to succeed in external markets where our Sankofa Naturals footprint is just taking root." Once a stable revenue stream and brand equity were established in West Africa, exploring opportunities in East and Southern Africa became financially feasible. While regions like Kenya, Tanzania and Uganda in East Africa offered lucrative market potential, the financial risks tied to navigating distinct regulatory landscapes and adapting to local tastes had to be factored into expansion budgets. Similarly, while economic hubs like South Africa and Botswana in Southern Africa could generate substantial revenues for Sankofa Naturals, the cost implications of competing in a saturated beverage market needed careful evaluation.

Funding and Investment Strategy

In a region dominated by the high cost of capital, starting a company with a bank loan was not an option, as Kwoyigah intimated, "Here in Ghana, and most of West Africa, interest rates are high in the region, sometimes up to 35% in some economies. Tie this with the burdensome regulations imposed by dysfunctional governments, [it] makes starting a business here very challenging. We had to find ways out, first by asking around who has interest in this idea and lifting ourselves up by our own bootstraps."

Bootstrapping was HOC's initial financing strategy. This allowed the company to steer clear of premature equity dilution – maintaining autonomy and fostering its core foundational values, brand ethos and business model without external influences. The initial capital was raised through consulting and training activities organised through AREF Consult, which owned 29% of the business. A call for funding within the members network brought the other shareholders on board such as All at Source (A@S) [10%], Meta Engineering and Construction Corporation (MECC) [24%], Ganidekam and Associates [13%], Assorrow and Abaching [14%] (see **Exhibit 5** for the remaining equity holdings).

Corporate Leadership and Organisational Structure

From the beginning, HOC decided on a combination of hierarchical and flat organisational structures. As explained by Kwoyigah, "The choice of a little bit of hierarchy offers clear roles and responsibilities, ensuring everyone knows their position in the pecking order. We are careful not to have too many reporting lines here.

Therefore, we also have a very flat structure to allow employees easy access to middle management for faster decision-making, especially in an increasing fast paced world of the juice market where thinking on one's feet is a must." (See **Exhibit 6** for the organisational structure).

The Heart of Oceans management team consisted of members with over 25 years' experience in new venture creation, strategic procurement and academia. Assorrow had earned a reputation in film and media, art and culture, farming and allied industries before taking up the production manager role, making him a versatile colleague in the team. His emphasis on creativity and delivering value to customers established a core ethos of HOC as a leading customer satisfaction entity. The board comprised four professors of economics, and several non-executive directors with financial, accounting, retail and communications and information technology qualifications and experience.

Challenges Faced by Heart of Oceans (HOC) Industries

HOC had encountered a series of operational, regulatory, and macroeconomic hurdles that tested the resolve of its leadership team. Both the CEO, Kwoyigah, and the production manager, Assorrow, played pivotal roles in navigating these challenges.

Regulatory and Compliance Risks

The regulatory landscape for food and beverage products in Ghana proved especially demanding. Navigating a labyrinth of food safety regulations, labelling requirements, and quality benchmarks strained the company's internal resources. "It was like threading a needle in the dark," Kwoyigah explained. "Any slip, and we were staring at costly penalties or worse, a sales ban."

Assorrow added, "To manage the risk of non-compliance, we didn't just look inward. We built potential buffers beyond Ghana—Burkina Faso, Zimbabwe, and Madagascar were viable alternatives should we hit regulatory roadblocks at home."

By proactively securing routes into alternative markets, HOC was able to cushion itself against local regulatory volatility.

Market Entry and Competition Risks

Breaking into the highly competitive beverage market was an uphill task. HOC faced entrenched local brands such as Chivita and La Casera, as well as the looming threat of global giants like Coca-Cola and Nestlé, who could easily mimic HOC's organic offerings and outspend them in marketing and distribution. Assorrow painted a grim picture: "You go into a new market, and the shelves are already crowded. Consumers already trust other brands—you're seen as a stranger. It's not just about having a good product; it's about breaking through habits and loyalties." However, Kwoyigah remained resolute. "We turned our small size into an advantage. We engaged local communities, partnered with herbalists and cooperatives, and positioned ourselves as an authentic, African-grown alternative. That personal touch made all the difference." Their strategy revolved around authenticity, community engagement, and differentiation through locally-sourced ingredients that multinationals could not easily replicate.

Supply Chain Disruptions

The 2012 Sahel drought and the more recent COVID-19 pandemic exemplified how external shocks could cripple the supply chain. Key ingredients like tamarind and baobab became scarce or unaffordable. "The 2012 drought was a wake-up call," recalled Assorrow. "We suddenly couldn't get baobab from our northern suppliers. It was either adapt or shut down production." Kwoyigah elaborated on their response: "We began investing in vertical integration. Where possible, we cultivated our own inputs or contracted directly with farmers. During COVID-19, that foresight helped us maintain supply while others stalled."

Process Failures, Theft and Value Chain Shocks

Weak machinery and inconsistent quality controls occasionally led to wastage or near-recalls. Theft and pilferage also affected both raw materials and finished goods, especially during transit. The situation was further compounded by fuel shortages that delayed deliveries. Assorrow explained, "We had to overhaul our internal audit systems and introduced GPS tracking for delivery trucks. We also formed alliances with local security outfits in high-risk zones."

Financial and Macroeconomic Risks

The ambition to grow quickly placed immense strain on HOC's cash reserves. At the same time, Ghana's financial landscape posed additional challenges. With policy rates hovering around 28% and commercial bank lending rates between 30% and 40%, raising capital was a daunting prospect. "It's like borrowing in a storm," said Kwoyigah. "You're paying nearly 35% in interest while trying to build a sustainable business. It's frustrating—growth becomes a gamble."

Assorrow echoed the sentiment: "The fluctuations in inflation and exchange rates were exhausting. One quarter, your inputs are manageable: the next, they're 60% more expensive. We had to shift from long-term imports to regional sourcing to hedge against forex volatility. The story is not easier when the exchange rate appreciates too sharply either. It's the same volatility." To stabilise its finances, HOC had diversified its funding sources—tapping into grants, development finance, and equity partnerships instead of relying solely on debt.

Socio-Political Risks

West Africa's political volatility introduced yet another layer of uncertainty. Coup d'états in Burkina Faso, Mali and Niger raised concerns about cross-border supply chains and investment stability. "These upheavals were more than news headlines for us—they disrupted trade routes and shook consumer confidence," Kwoyigah noted. "We had to rethink our expansion sequence and delay entry into some regions until there was more stability." HOC responded by establishing regional hubs in more politically stable countries and utilising digital channels to stay connected with affected markets until on-ground operations could resume.

Conclusion

Heart of Oceans Industries Limited stood at a critical juncture. Having established a significant presence in Ghana with its Sankofa Naturals brand, the company faced the mammoth task of expanding beyond the country's borders. The allure of the West African subregional market was undeniable, but so were the risks. These included varied and intricate regulatory frameworks, complex supply and value chain dynamics, intense competition, and a volatile macroeconomic environment.

The Sankofa Naturals brand represented more than just a product line—it embodied the company's philosophy of drawing wisdom from African heritage to build a sustainable future. As HOC contemplated regional expansion, the brand's authentic positioning and cultural resonance would be both its greatest asset and its most significant challenge to maintain across diverse markets.

Kwoyigah and Assorrow had to decide how HOC could navigate these complexities and risks of regional expansion while preserving the authentic Sankofa Naturals brand identify, maintaining its African heritage and replicating its Ghanaian success.

Exhibit 1: Heart of Oceans Sankofa Naturals Tamarind and Baobab Juice Drinks
Source: Heart of Oceans Industries Limited (https://www.heartofoceans.com/).

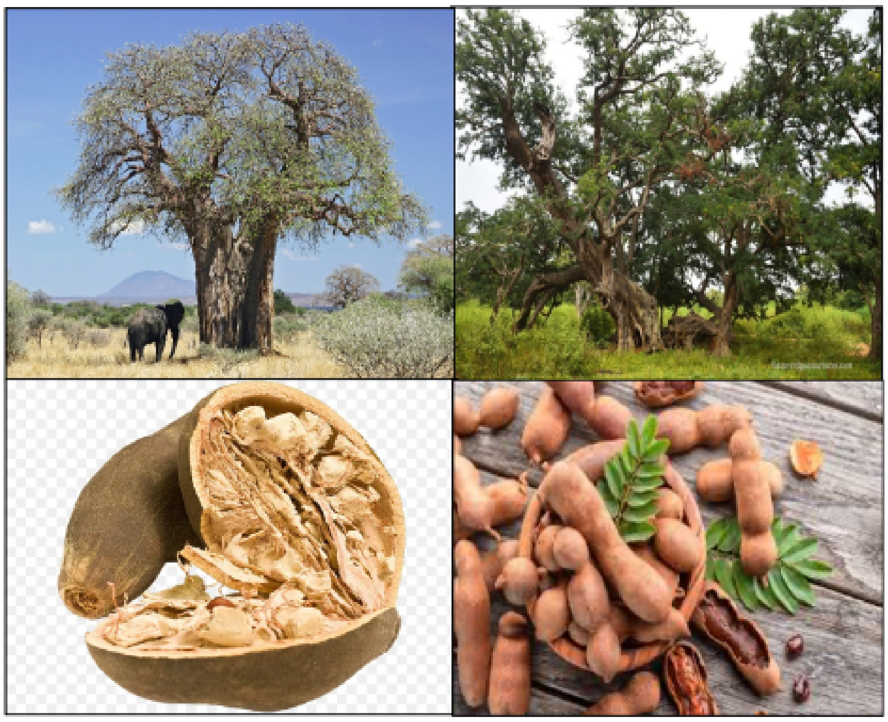

Exhibit 2: Relationship between research productivity, healthy lifestyle and HOC natural fruit drinks.
Source: Heart of Oceans Industries Limited

Exhibit 3: The Great African Baobab (left with fruit beneath) and the Powerful Tamarind (right with their fruit beneath).
Source: Heart of Oceans Industries Limited

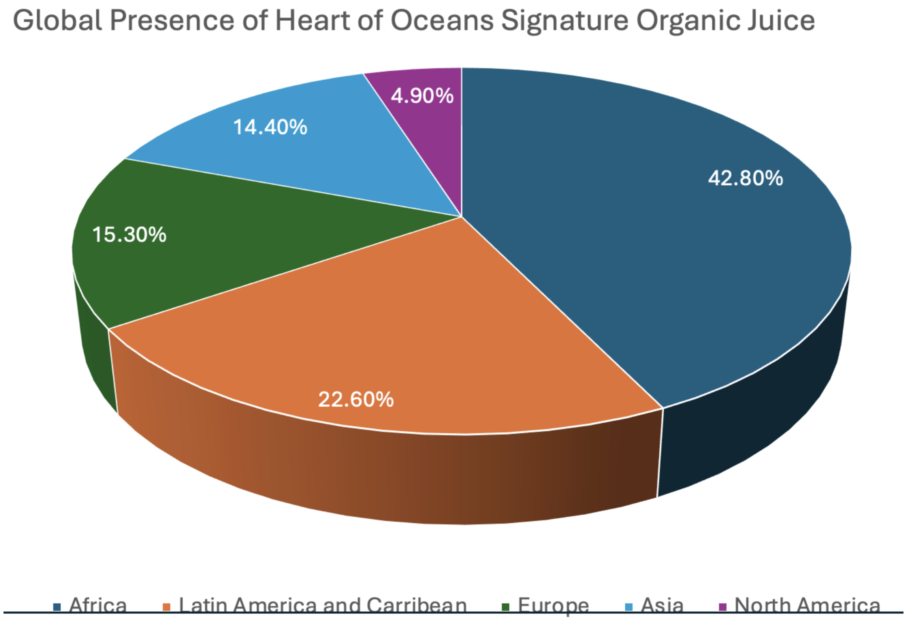

Exhibit 4: Global distribution of Sankofa Naturals Organic Fruit Juice by Heart of Oceans (2024)
Source: Authors' compilation.

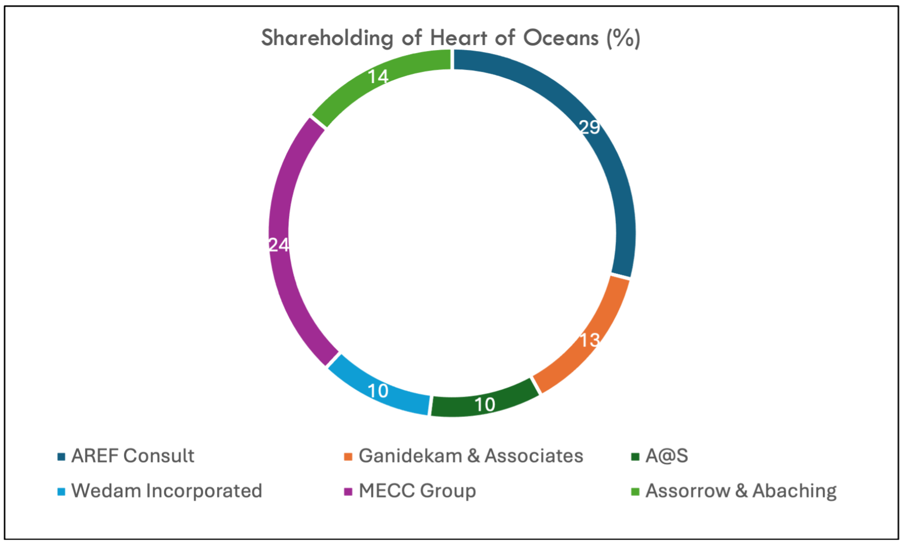

Exhibit 5: Shareholding Structure of Heart of Oceans
Source: Authors' compilation.

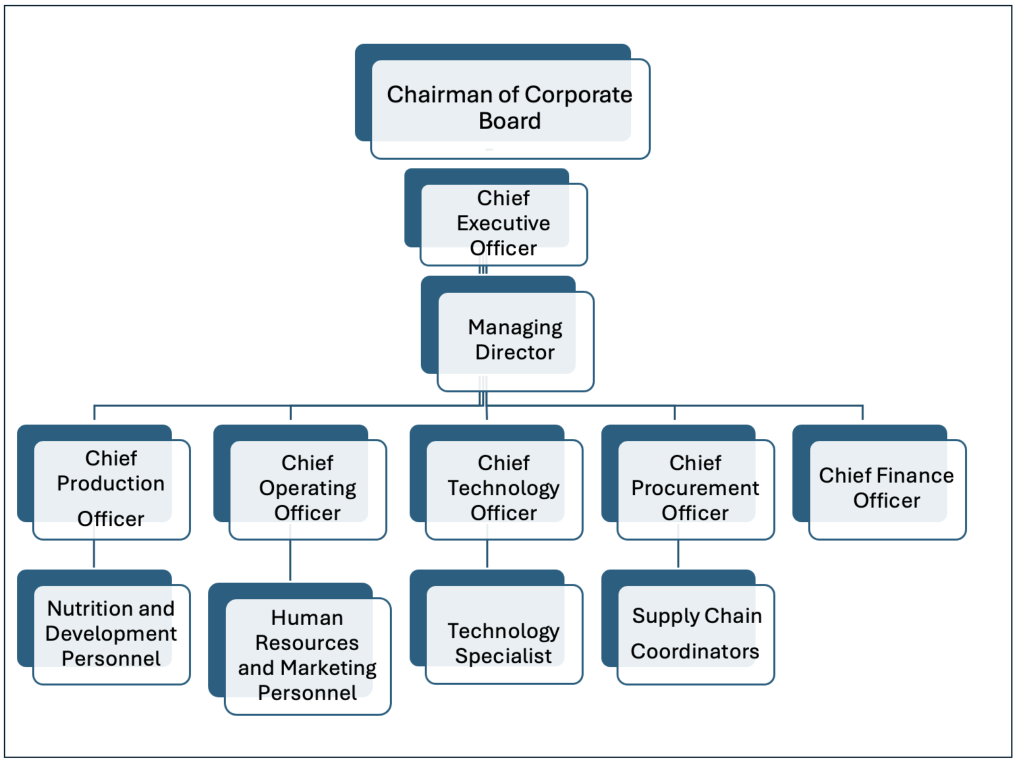

Exhibit 6: Organisational Structure of Heart of Oceans
Source: Compiled by Authors from Heart of Oceans Industries files and functions.

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