

Advertising and Promotion Strategies

Marketplace for Ideas

Agri-Business Program

January 16, 2004



Megan L. Bruch

Extension Specialist



cpa

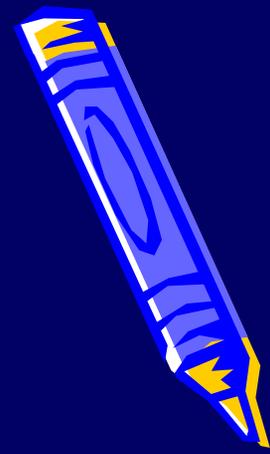
Center for Profitable Agriculture

A University of Tennessee - Farm Bureau Partnership

Objectives

To foster an understanding of:

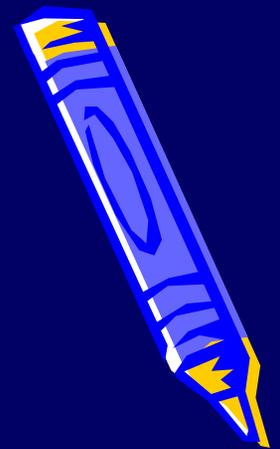
- Fit in overall marketing plan
- Keys to successful strategies
- Advantages and disadvantages of different strategies
- Budgeting



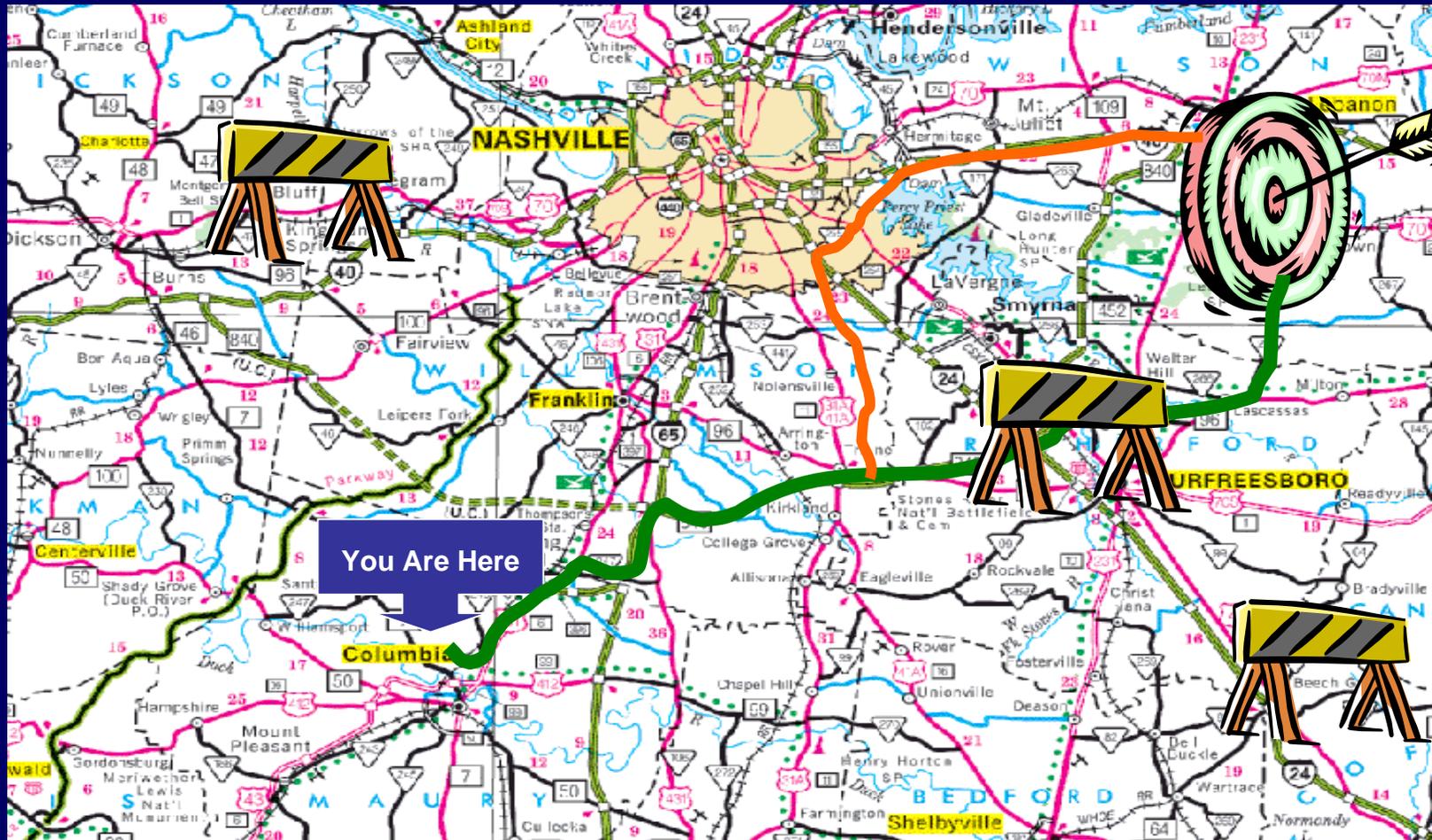
Marketing is...



*Planning and executing
a set of objectives to
bring buyers and
sellers together so
that a sale can take
place*

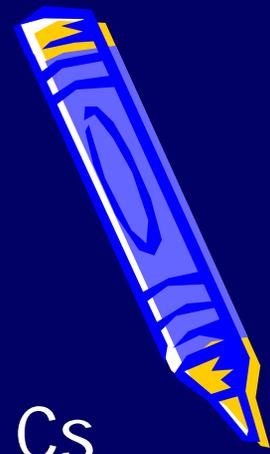


A marketing plan is like a roadmap...



Linking Seller and Buyer

- The seller's four Ps
 - Product
 - Price
 - Place
 - Promotion
- The buyer's four Cs
 - Customer benefit
 - Customer cost
 - Convenience
 - Communication



Source:
<http://www.foodsci.purdue.edu/outreach/vap/materials/marketing.pdf>

Marketing Mix/Tactics

Marketing Mix

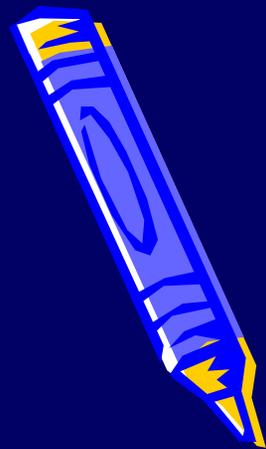
Marketing tools used to pursue marketing objectives in the target market.



Source *Marketing Management*, Philip Kotler, p15

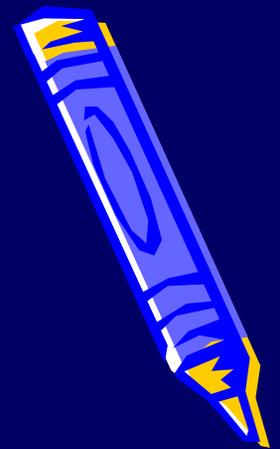
Promotion

- The act of furthering the growth or development of something
- Activities to prompt or entice customers
- *Especially*: the furtherance of the acceptance and sale of merchandise through advertising, publicity, or discounting

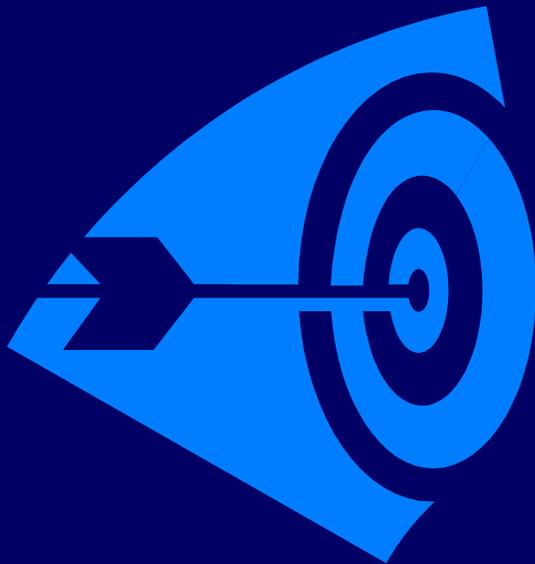


Keys to Success

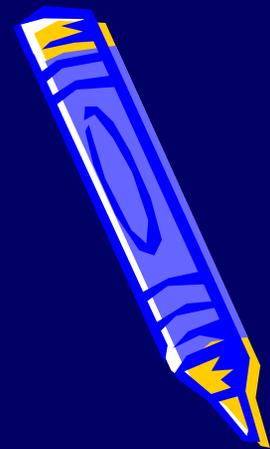
- Plan strategies to...
 - Reach **YOUR** target market
 - User, buyer or influencer
 - Meet **YOUR** goals and objectives



Target Market

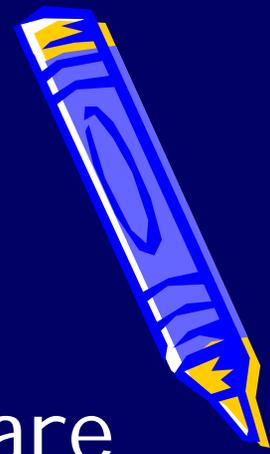


- The subset of the population with
 1. Need that you can fill
 2. Willingness to purchase
 3. Ability to purchase
- Determine
 1. Where they are located
 2. How you can access them
 3. If they can provide an adequate volume of sales

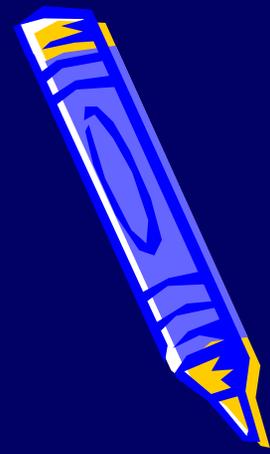


Example: Promoting to YOUR Target Market

- What types of products/services are advertised during...?
 - Saturday morning cartoons
 - Daytime television
 - Monday night football
- WHY?



Marketing and Financial Objectives/Goals

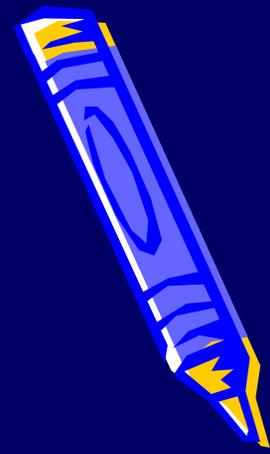


- Detailed and specific goals
- Quantified and measurable
- What do you want to accomplish?
- Example:
 - To sell 1,000 jars of honey and 2,500 jars of peach preserves in 2004



Advertising

- To call public attention to
 - By emphasizing desirable qualities so as to arouse a desire to buy or patronize
 - By paid announcements



Considerations

- Primary Purpose
 - What is the primary purpose of our ad?
- Primary Benefit
 - What unique benefit can we offer customers?
- Secondary Benefit
 - What other key product attributes support our unique product benefit?
- Target Audience
 - At whom (what market segments) are we aiming this ad?
- Audience Reaction
 - What response do we want from our audience?
- Company Personality
 - What image do we want to convey in our ads?

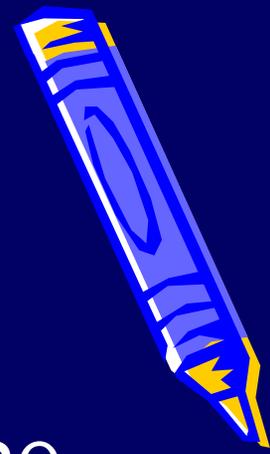
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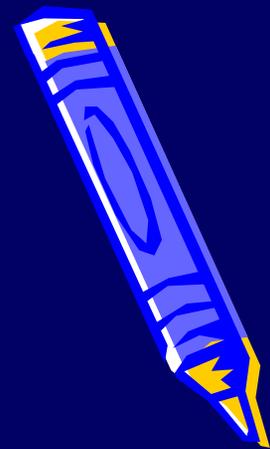
Advertising

- Top slogans, icons and jingles of the 20th century
 - Determined by *Advertising Age*
- Based on...
 - Effectiveness
 - Longevity
 - Recognizability
 - Cultural impact



TOP 10 SLOGANS

1. Diamonds are forever
 2. Just do it
 3. The pause that refreshes
 4. Tastes great, less filling
 5. We try harder
 6. Good to the last drop
 7. Breakfast of champions
 8. Does she ... or doesn't she?
 9. When it rains it pours
 10. Where's the beef?
- DeBeers
 - Nike
 - Coca-Cola
 - Miller Lite
 - Avis
 - Maxwell House
 - Wheaties
 - Clairol
 - Morton Salt
 - Wendy's



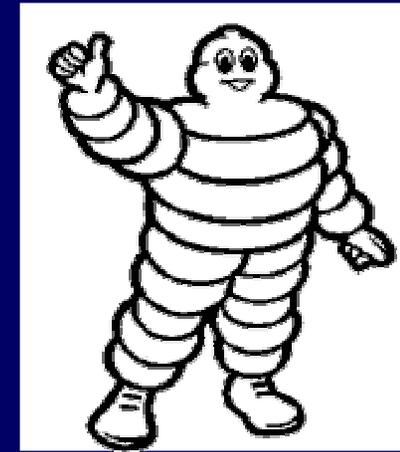
Top 10 Ad Icons



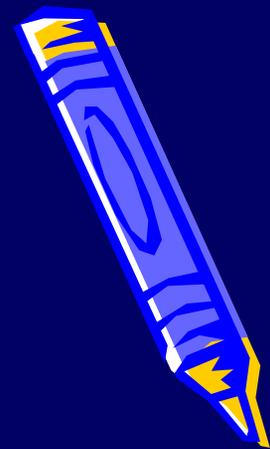
10. Elsie -
Borden dairy
products



9. Tony the Tiger -
Kellogg's Sugar
Frosted Flakes



8. The Michelin
Man - Michelin
tires



Top 10 Ad Icons



7. Aunt Jemima -
Aunt Jemima
pancake mixes and
syrup



6. The Pillsbury
Doughboy -
Assorted
Pillsbury foods



5. The Energizer
Bunny -
Eveready
Energizer
batteries



Top 10 Ad Icons



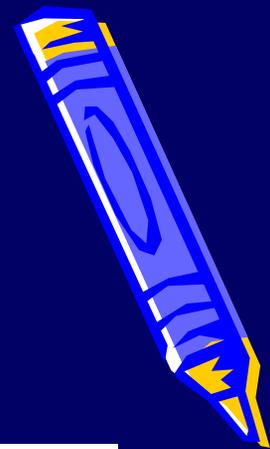
4. Betty Crocker -
Betty Crocker
food products



3. The Green Giant
- Green Giant
vegetables



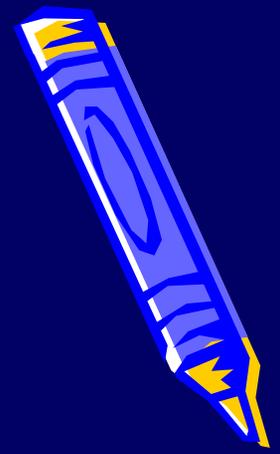
2. Ronald McDonald
- McDonald's
restaurants



Top 10 Ad Icons

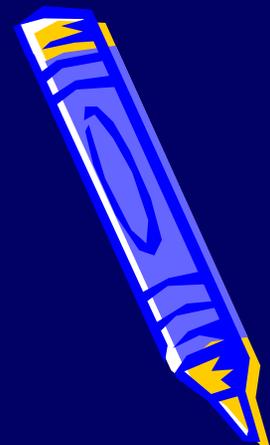


1. The Marlboro Man - Marlboro cigarettes



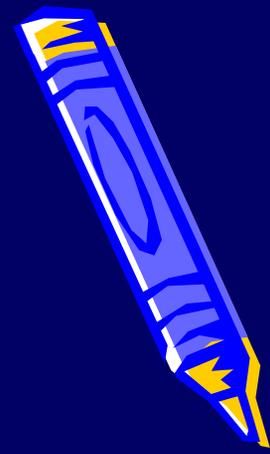
TOP 10 JINGLES

1. You deserve a break today
 2. Be all that you can be
 3. Pepsi Cola Hits the Spot
 4. M'm, M'm good
 5. See the USA in your Chevrolet
 6. I wish I was an Oscar Meyer Wiener
 7. Double your pleasure, double your fun
 8. Winston tastes good like a cigarette should
 9. It's the Real Thing
 10. Brylcreem-- A little dab'll do ya
- McDonalds
 - U.S. Army
 - Pepsi Cola
 - Campbell's
 - GM
 - Oscar Meyer
 - Wrigley's Doublemint Gum
 - Winston
 - Coca Cola
 - Brylcreem



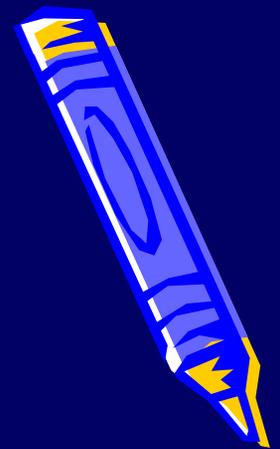
- "Historians and archaeologists will one day discover that the ads of our time are the richest and most faithful daily reflections any society ever made of its whole range of activities."

-- Marshall McLuhan



Media Types

- Newspaper
- Radio
- Magazine
- Television
- Direct Mail
- Point of Sale
- Outdoor
- Internet



Newspaper

Advantages

- Large coverage area
- Low cost relative to other media
- Immediate/timely (daily or weekly)
- Access to many socioeconomic groups
- Can target a specific audience via specialty sections
- Can use color and flexibility in size
- Visibility of the product (i.e., picture)
- Use of coupons to measure effectiveness
- Short lead time

Disadvantages

- Inconsistent reproduction
- One-day exposure, typically
- Clutter (can be lost among others)
- May be limited to text or black-and-white print
- Lack of movement and sound



Radio

Advantages

- Specific audience (demographics)
- Immediate/timely/frequency (multiple exposure)
- High entertainment value
- Celebrity endorsement or pitch
- Time and content flexibility
- Use of a human voice (celebrity pitching product)
- Sound of reinforcement

Disadvantages

- Time limitations restrict message
- Need for repetition
- Clutter (can be lost among others)
- Ad recall is low
- “Station surfing” during commercial breaks
- Short ad exposure



Magazines

Advantages

- Large coverage area
- Can target a specific audience
- Can use color and flexibility in size
- Visibility of the product (i.e., picture)
- Use of coupons to measure effectiveness
- Large repeat and secondary exposure
- Easy to reproduce advertisement

Disadvantages

- Clutter (can be lost among others)
- Cost associated with repeat exposure
- Lack of movement and sound
- Not immediate; publication may be weekly, monthly or less frequent



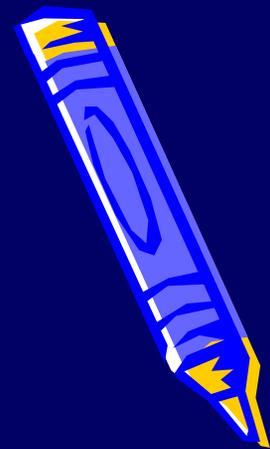
Television

Advantages

- Large coverage area
- Can target a specific audience
- Uses both visual and auditory stimulants
- Large repeat exposure
- Easy-to-reproduce advertisement

Disadvantages

- Costly to air and produce
- Time limitations restrict message
- Need for repetition
- Clutter (can be lost among others)
- Short ad recall
- Inverse relationship between hours watched and income



Direct Mail

Advantages

- Can target a specific audience
- More opportunity to educate on benefits of the product
- Timeliness (can reach customers in 2 to 3 weeks)

Disadvantages

- Expensive (\$1 to \$2 per piece)
- Difficult to obtain “clean” mailing list
- Perception of junk mail
- Not immediate, 2- to 3-week lag time
- May be discarded unopened



Point of Sale

Advantages

- Can influence impulse purchasing
- Helps product “stand out” among competition
- Customer has opportunity for direct response at time of ad presentation (i.e., purchase)

Disadvantages

- Can be expensive
- Clutter (ad can be lost among other point-of-sale material)



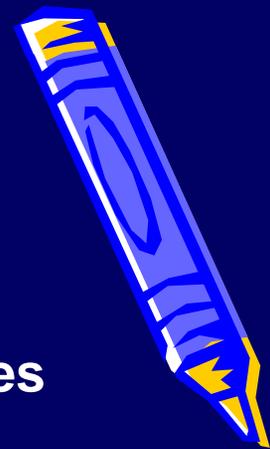
Outdoor

Advantages

- Large audience exposure
- Use of color
- Can provide information and directions
- Continuous exposure (temporary or permanent)

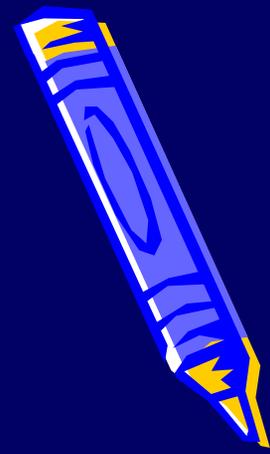
Disadvantages

- Limited message length
- Initial production and preparation costs
- Difficulty in “ideal” site selection



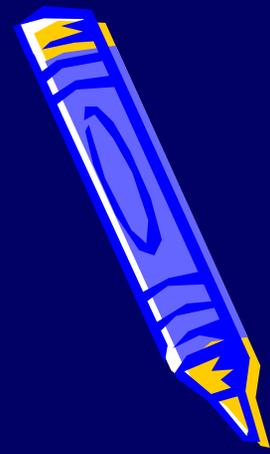
Trade Shows

- Advantages
 - Natural market
 - Industry information
 - Pre-selected audience
- Disadvantages
 - Cost
 - Wasted effort



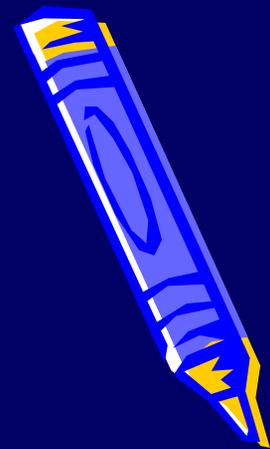
I n t e r n e t

- Methods
 - Email
 - Banner ads
 - Website



I n t e r n e t

- Advantages
 - Info available 24/7
 - Customers in their environment
 - Relatively cost-effective
 - Can target types of viewers
 - Messages can be timely
 - Ads can be interactive
 - Able to reach a global audience
- Disadvantages
 - Maintenance
 - Should be one component of the marketing strategy
 - Difficult to gauge impact
 - Range of costs can vary dramatically
 - Spam



Case Study: Goat Lady Dairy

Visit the Dairy - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites History Print

Address <http://www.goatladydairy.com/Visit.htm> Go Link

Goat Lady Dairy

- Home
- The Dairy
- The Farm
- Farmstead Cheeses
- Dinner at the Dairy
- Visit the Dairy
- Meeting Rentals
- Directions
- Useful Links
- News and Recipes
- Products



Click on **News and Recipes** for date and time of our next Open House. Several times a year, we schedule a Sunday OPEN HOUSE from 1:00 to 5:00 p.m. We invite you to bring the whole family to experience our farm for yourselves. There are animals to touch, eggs to gather, herbs to smell and gardens to tour. You can also stroll in the woods or meadows, relax by the pond or even picnic. These events are open to all. Our family will be there to help you learn about our life on the farm and give you a taste of our farmstead cheese. Of course, you can also purchase some cheese to take home.

At other times, we provide farm tours for school groups, garden clubs, seniors, bus tours and other groups. The \$5.00 per person charge includes a cheese tasting and a 90-minute guided tour. These visits are made by special arrangement and are limited. We regret we cannot offer tours to individual families.

You can purchase cheese at the dairy but phone (336) 824-2163 to make your order before you come. Because we are a working farm, we are not open for unannounced visitors.

[Home](#) | [The Farm](#) | [The Dairy](#) | [Farmstead Cheeses](#) | [Dinner at the Dairy](#)
[Visit the Dairy](#) | [Meeting Rentals](#) | [Directions](#) | [Useful Links](#) | [News and Recipes](#) | [Products](#)

Goat Lady Dairy

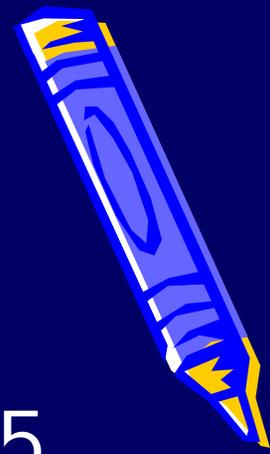
3515 Jess Hackett Road Climax, North Carolina 27233 (336)824-2163

Info@goatladydairy.com

Word of Mouth

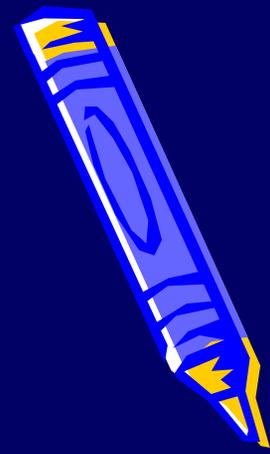
- A satisfied customer will tell 4 or 5 others about a pleasant brand experience.
- An unsatisfied customer will tell 7 to 13 others.

(Wreden, 2003)



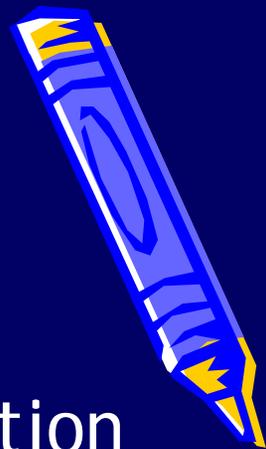
“It costs 3 to 5 times
more to replace than to
keep a customer.”

-Nick Wreden



Publicity

- Non-paid for communication of information about company or product, generally in some media form
- Advantages
 - Perceived as objective and credible
 - Relatively inexpensive
- Disadvantage
 - Little control



Ways to Gain Positive Publicity

- Write an article
- Contact local TV and radio stations and offer to be interviewed
- Publish a newsletter
- Speak at local functions
- Offer or sponsor a seminar
- Write news releases and fax them to the media
- Volunteer
- Sponsor a community project or support a nonprofit organization or charity
- Promote a cause

Source:
<http://www.foodsci.purdue.edu/outreach/vap/materials/marketing.pdf>



Case Study: Kelley's Caviar

- Wall Street Journal Special Rates Kelley's Katch "Best Value"

"Ah, The world's great caviars. Beluga from Russia, Osetra from Iran. And, of course, Kelley's Katch from Tennessee... Our Chef's Favorite..."

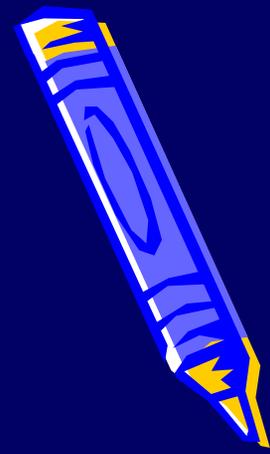


Charles Passy
Wall Street Journal

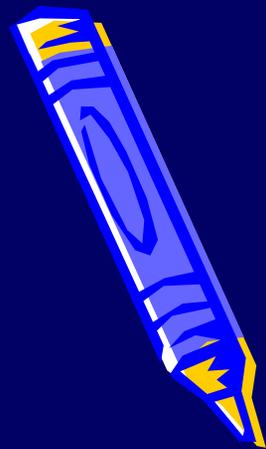


Sampling

- Advantage
 - Allows customer to try product
- Disadvantage
 - Can be costly



Case Study: Nahunta Pork



- Samples in store on weekends
- Experience taste and aroma from cooking
- Increases sales of sampled products by up to 600%
- Cost of samples = ~\$600 for Fridays and Saturdays

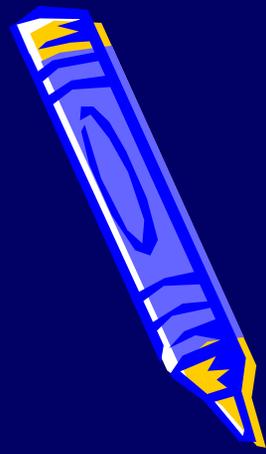
Source:

<http://www.nichepork.org/valueaddedprodmtngbk.pdf>



Discounting

- Coupons, 2 for 1, quantity discount
- Advantages
 - Attractive to price sensitive customers
 - Can encourage trial
 - Can help track effectiveness of ads
- Disadvantages
 - Difficult to estimate usage
 - May be expensive



Case Study: Sever's Corn Maze

BIGGER, BETTER AND MORE FUN THAN EVER!

Our 7th Year!

Bring this coupon to the maze and get...

\$1 OFF

Everyone in your group.

2003 MAZE

live music · pig races · food & beverages · hay rides

www.severcornmaze.com

SEVER'S
CORN MAZE
& Fall Festival

corn maze hotline:
952-974-5000

"The World According to Sever"

OPEN
Halloween
& MEN

exotic animal petting zoo · huge straw bale maze · pumpkin slinger · camel & pony rides

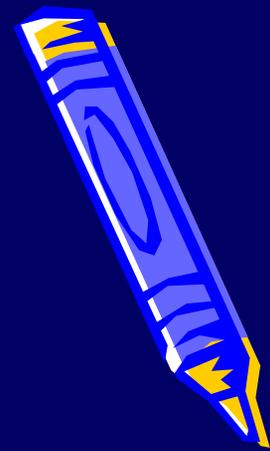
GREAT FAMILY FUN!



Financial Analysis and Marketing Budget



- Create based on expected sales and costs of marketing activities
- Marketing budgets often 5-10% of sales

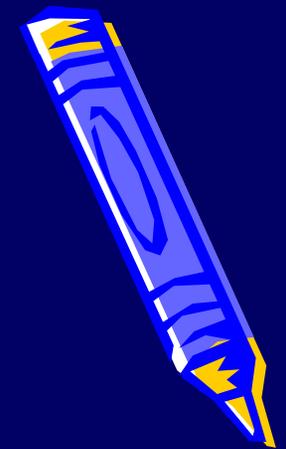


Summary of Planned Promotional Activities

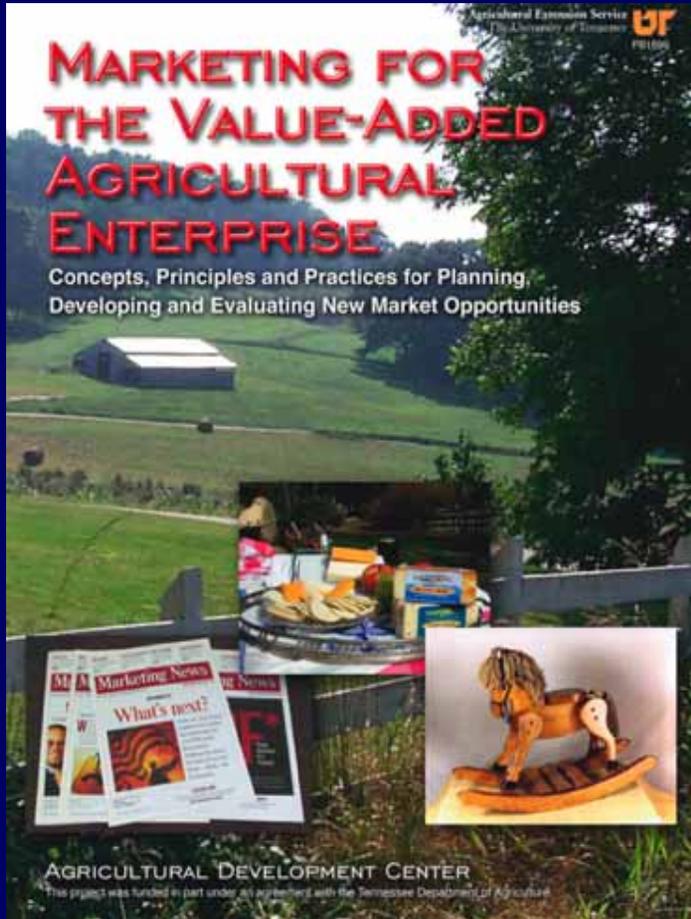
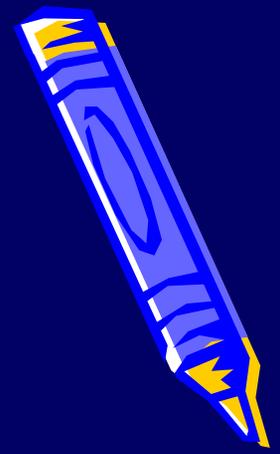
	Year #1	Year #2	Year #3
Month #1	- Grand opening celebration - Local feature articles on the farm page of one newspaper - Activate 1-800 number	- Begin frequent buyer program - Direct mail campaign	- Sampling campaign
Month #2	- Daily radio ads on two stations & two print ads per week in one newspaper for the month	- Local feature articles	- Local feature articles
Month #3	- In-store promotions with point-of-purchase displays	- Local recipe contest	- Host annual festival
Month #4	- Host Chamber Coffee	- Host Chamber Coffee	- Host Chamber Coffee
Month #5	- Target local media for free publicity by submitting news leads	- Target local media for free publicity	- Target local media for free publicity
Month #6	- Implement a sampling campaign at retail store	- Sampling campaign	- Sampling campaign
Month #7	- Host media day	- Host media day	- Host media day
Month #8	- Coupon campaign through newspaper, radio, direct mail & flyers	- Coupon campaign	- Coupon campaign
Month #9	- Unveil Web Page and distribute magnets & pencils with printed Web site address	- Barbeque promotions	- Barbeque promotions
Month #10	- Barbeque promotions	- Pork promotions	- Pork promotions
Month #11	- Pork promotions	- Host Open House	- Host Open House
Month #12	- Seasonal features	- Seasonal features	- Seasonal features

Estimated Marketing Budget

	Year #1	Year #2	Year #3
Initial Marketing (Includes market research, surveying and initial advertising & promotion tools)	\$9,500	\$3,000	\$3,000
Month #1	\$1,200	\$80	\$200
Month #2	\$800	\$100	\$100
Month #3	\$400	\$350	\$1,000
Month #4	\$350	\$350	\$350
Month #5	\$80	\$80	\$80
Month #6	\$150	\$200	\$200
Month #7	\$300	\$300	\$300
Month #8	\$800	\$500	\$500
Month #9	\$1,200	\$500	\$500
Month #10	\$500	\$500	\$500
Month #11	\$500	\$500	\$500
Month #12	\$200	\$200	\$200
Total Budget	\$15,780	\$6,660	\$7,430



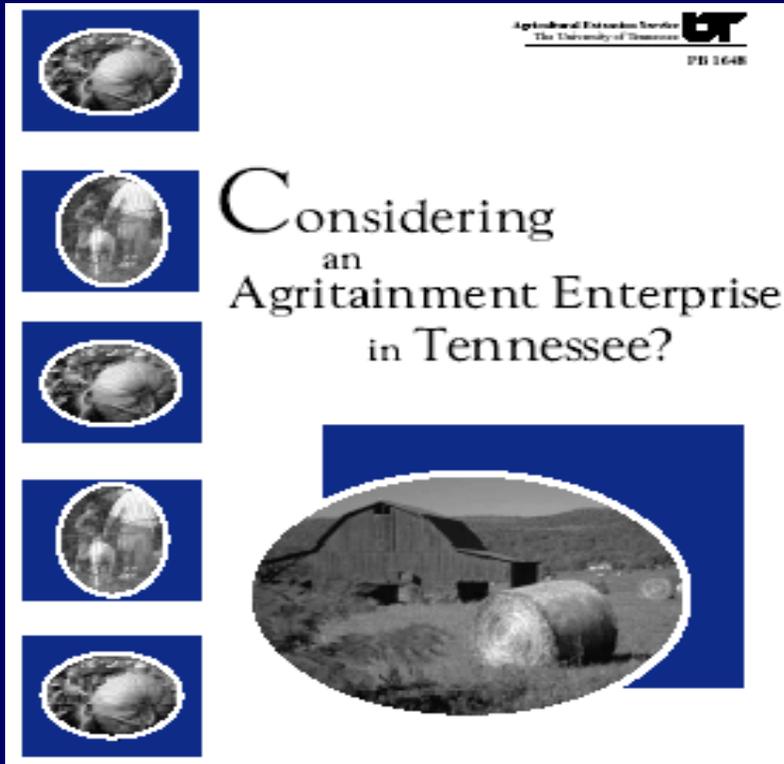
Additional Resources



- Discussion of marketing issues
- Example marketing plan
- Available at <http://cpa.utk.edu>



Additional Resources



- Discussion of marketing issues associated with agri-tourism
- Available at <http://cpa.utk.edu>



Contacting the Center

Center for Profitable Agriculture

Middle Tennessee Experiment Station

P. O. Box 1819

Spring Hill, TN 37174

(931)486-2777

cpa@utk.edu

<http://cpa.utk.edu>

