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PROMOTION FOR FARM PRODUCTS

Decision Making



Cooperative Extension Service
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Producer groups want more data, guidelines, case histories, and research results on advertising and promotion of farm products. They are calling upon extension workers to help them in their decision-making about optimum conditions and to help reduce errors in planning advertising and promotion ventures.

opportunities and limitations of promotion

Studies of sales show markedly varied results from advertising. Promotion of farm products appears to work wonders in some cases, yet in others the record is unclear.

Is there any way to determine whether an investment in promotion will be successful? Experiences of producer-promoter groups, market research, and accepted principles of advertising and promotion can help groups judge the conditions conducive to more successful promotions. Some basic considerations are:

1. advertising by brand or other unique characteristics

Trademarks, brand names, package differences, and unusual color or taste are handholds for promotion. The services offered by a producer-promoter group to marketing interests may also be a form of differentiation that will assist in promoting a product.

2. principal sponsors should obtain primary benefits

Production areas of most farm commodities are widely dispersed. Local, county, or state commodity groups sometimes attempt to "go it alone." Such groups usually assist nonparticipating segments of the industry as well as themselves. The outcome is often disappointing as diluted benefits accrue to the sponsors who are holding the promotional umbrella for their fellow producers in other areas.

If Indiana apples are uniquely different from Michigan apples, then a promotion program can be used to call buyers' attention to these differences. By product differences for commodities such as bee, pork, broilers, fruits, and vegetables are not confined to state boundaries. Consumers show limited loyalty to "home state" products.

3. an adequate budget sustains a coordinated program

Consumers are bombarded with many kinds of advertising. Consequently, sizable effort is needed simply to gain nonimal attention.

Each promotional situation is a special case. Some products require more emphasis than others. Although cost is not the only consideration in judging promotion opportunities, it ranks high.

4. cooperation of marketing trade is needed.

Often the producer group sponsoring the promotion does not own the product. In this case coordination between the trade and the promoting group is more complex than it is for the individual firm that holds title to the product.

The total communications approach is the most effective in promoting most products, especially food items. It should include consumer advertising, point-of-sale aids, increased display space, and mention in the retailer's direct action advertising. Several facets of the promotion should reach the buyer simultaneously.

The large number of products has caused both dealers and retailers to become passive toward promotion of single items. Therefore, an increased amount of missionary work is needed to keep alive their interests and to obtain their cooperation in special promotion.

other factors

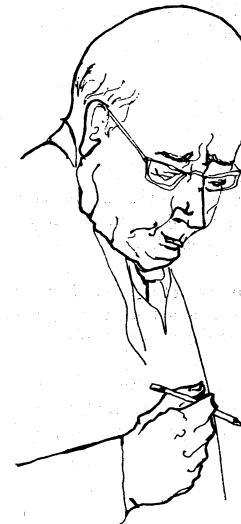
The potential for successful promotion is increased when products have hidden qualities to which emotional appeals can be attached, when they are highly seasonal, or if they already enjoy increasing demand. Such products will bring more response to promotion than those having few or none of these features. New products or new forms; products that remain uniform in quality, size, and appearance; and products about which consumers are quite price-conscious also respond well to promotion.

guidelines to effective promotion

Perhaps the question most frequently asked by promoting groups is: "How do we get the most mileage from our promotion dollars?"

Unfortunately, there is no hard and fast rule. Each promotional situation is different, calling for an individualized promotion program.

Promotion dollars may be spent for preparation of publicity and point-of-sale materials; direct advertising to consumers in newspapers, magazines, radio or TV; dealer and consumer contests; fairs and trade shows; sampling and specialty items; cooperative advertising, and in many other ways.



the promotion plan

Most practitioners agree that it is important to work out a complete promotional plan. The plan should be in writing. It should be prepared with six to twelve months' lead time. It should be specific rather than general. The plan should include some consideration of the following six steps, usually in this order:

1. background information

Collect and analyze data about markets, attitudes, competition, distribution patterns, product strengths, and weaknesses.

2. market targets

Select specific groups and markets representing best sales potential based on information generated in Step 1.

promotion objectives

Define specific and measurable short-run objectives consistent with long-run goals—provide a basis by which accomplishments can be measured.



4. promotion alternatives

Appraise and select promotional communication methods which will allow objectives to be met most effectively and economically.

5. budget

Decide on total amount and allocation of funds, giving consideration to the task to be done, product characteristics, competition, and flexibility of available funds.

6. media and other promotion strategy

Select types of media, classes of media and individual vehicles; determine timing, frequency and coverage.

After the promotion plan has been established, the remaining problem is selecting proper themes, appeals, or slogans for publicity, point-of-sale materials, printed matter or media advertising. The creative part, often the most important feature of the promotion plan, requires special skill and aptitudes. It is often handled by some agency that specializes in this work.



summary

Agricultural producer groups continue to express great interest in promotion of their products. There are both opportunities and limitations in farm product advertising and promotion. Best opportunities for effective promotion exist where the products of specific groups can be identified by consumers, where the group has an adequate budget, and where the promoting group can expect good cooperation from the marketing trade. In addition, new products, products with emotional appeals, or products currently increasing in consumer acceptance are good promotion subjects.

Promotion can be made most effective by a systematic and orderly approach. At a minimum some consideration should be given to background information, market targets, promotion objectives, promotion alternatives, promotion budget, and media and other promotion strategy. The plan shown here cannot assure success of the promotion program but can greatly improve its chances of success.

check list of discerning questions for determining and evaluating the promotional program

product characteristics:

1. Are consumers' attitudes, opinions and preferences to this product known?
2. Are there known barriers to use of the product? What are they?
3. Are there quality and grading problems needing attention?

package:

1. Is package designed to maintain sanitation and quality with contents visible?
2. Is the package attractive?
3. Does label adequately describe contents and offer suggestions for use?

price:

1. Is this product priced competitively with substitute products?
2. Are appropriate discounts used for various sizes of packages?
3. Does "loss leader" pricing have any effect on this product?

distribution:

1. Are outlets adequate in location, quantity and quality?
2. Can new markets be developed?
3. Is the product well displayed at retail outlets?

competition:

1. What are trends of the industry and product's relation to those trends?
2. Is it holding, losing, or increasing its share of the market?
3. Are there other opportunities for differentiating the product?

organization:

1. Are clear-cut assignments made for control and follow-up of the promotional program?
2. Are budgets flexible and based on promotional needs?

research:

1. Are public and private research findings on market and demand analysis, consumer opinion, and distribution fully utilized?
2. Would it pay to support more research on:
 - Production (improved varieties, development of new and improved products)
 - Marketing and Distribution (adequacy of grades and grade standards, adequacy of supply and demand forecasting, effects of controls over rate-of-flow, market potentials, consumer attitudes and opinions)
 - Advertising and Promotion (evaluation and audit of promotion effectiveness, media and copy evaluation)
3. Are there industry problems to be solved before a promotional program can be effective?



advertising and promotion program:

1. Is there a detailed promotion and marketing plan based on product and market research?
2. Are short-run specific and measurable promotional goals consistent with long-run objectives?
3. Do our plans support our objectives?
4. Are promotional themes or appeals based on the psychological values that stimulate consumer action?
5. Does the media profile fit the target audience?
6. Does the budget allow sufficient concentration and duration of promotion?
7. Are coverage and timing well coordinated with the total marketing effort?

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