



AGRIBUSINESS ADVERTISING

Of the many millions of dollars spent each year in the United States on advertising, our nation's agribusiness industry no doubt accounts for a very small portion. One normally associates massive advertising budgets with large consumer-oriented manufacturing and retailing corporations operating in a national or regional market. The agribusiness industry functions within a smaller market, is oriented to a smaller and more select clientele, and is generally less dependent on an advertising program for its competitive position. Hence, million-dollar advertising budgets are rare in all but a few large agribusiness corporations. Furthermore, the advertising dollar is distributed quite differently in the agribusiness industry than would be true in other sectors of our economy. Commodity groups and agricultural trade associations, for example, play a major role in agribusiness advertising, as do the major manufacturers of agricultural production inputs. Agribusiness retailers, on the other hand, are not characterized as heavy advertisers while those firms performing such functions as storage, packaging, and transporting are rarely even heard from.

It is not my intent to question the use or distribution of advertising in the agribusiness industry. Nor am I competent to judge the value of large advertising budgets vs. small ones. I do, however, wish to share with you my concerns regarding the effective use of your advertising dollar.

Why Must I Advertise?

The key to success and prosperity in the free enterprise system, so the saying goes, is to invent a better mousetrap. Presumed

in this statement is that once invented, your new mousetrap will attract customers in hordes. But we all know just how fallacious is this presumption. People will not beat a path to the door of the mousetrap maker unless they have been told that it is truly an improved version. Furthermore, these people must know that a sufficient supply of the improved mousetrap is available for purchase and that it can be bought at a price they can afford. And finally, let's not forget that people must be convinced that trapping mice is a worthwhile endeavor and will somehow improve the quality of their life or render it more enjoyable. So this is the foundation upon which advertising is based. The mere invention, manufacture, and availability of a product is of little commercial and utilitarian value if people remain in ignorance of its existence and availability and are unaware of how it might be used.

Academics, for example, are often critical of the value of advertising. They argue that a product of merit requires no advertising. To advertise only penalizes the final consumer of the product who is forced to pay for a service not directly linked to product quality or quantity. Ideally, advertising may benefit both parties in commerce; i.e., it serves the producer of the product by enabling him to dispose of his goods and it aids the consumer by telling him what is available to add to his satisfactions in life. Not all advertising attains this ideal, of course, and benefits to producers and consumers are not always fully realized. If this occurs, inefficiencies result and advertising dollars are being wasted.

Some Rules of Thumb

As noted above, agribusiness advertisers may not be among the nation's largest users of this service, but they are still concerned with gaining maximum effectiveness of each advertising dollar expended. Regardless whether your annual advertising budget is \$50 or \$50,000, the following rules of thumb may offer some guidance regarding advertising's effectiveness.

Rule I. Think of the customer: Before spending a single dollar on advertising, think of your customers. All too often in these modern times advertising salesmen and agencies focus on techniques, methodology, media options, etc. The potential advertiser is given a real "snow job" regarding the media's technical miracles and glamour-coated methods. The ads are designed to appeal more to the oddity interests of the advertiser than to the ultimate consumer-customer. It is not good practice to concentrate upon techniques, methods, and media to the exclusion of thought about your customer, current and future. Remember always that it is the customer who must pay your wages and expenses.

Study your current and future customers thoroughly. Identify their occupational patterns, their age, location, and general life style. Always ask the question, "How can I make this advertising useful to my customers?" To be useful, of course, advertising must provide the customer with information he would not otherwise have access to. Regardless of whether you choose to use a spot radio announcement, a full-page newspaper ad, or a tiny addition to the classified section, the advertisement should be designed and written for the purpose of telling people about something they may want to buy, not about something the advertiser wants to sell.

If you have a specific target clientele you wish to impact with your advertising effort, then focus your message more sharply on the group's specific characteristics. Agribusiness, for example, too often directs its ads to the commercial agricultural

producer by using a heavily masculine and direct approach. They bypass entirely the feminine interest and overlook the fact that many agricultural purchase decisions are both made and consummated by women. One manager of a farm supply unit wondered why his sales of household and garden supplies were so low despite the fact that farm wives were often in his facility picking up feed, fuel, fertilizer, and hardware items for their husbands' farming needs. A quick customer survey revealed that the sales facility was not found to be very visually attractive to women and many of them did not enjoy searching for household items, only to find them hidden in amongst wrenches, machine oil, and chain saws! A little cleaning, painting, rearranging, and a well placed "woman's day" advertisement in the local paper contributed much to bolstering a lagging sales volume.

Rule II. Producers are specialists while consumers are not: A very common oversight is often made by agribusiness advertisers. As producers or retailers of products, agribusiness firms become specialists in the intended use, operation, and maintenance of the products they manufacture or sell. Yet these firms often assume the customer will be equally knowledgeable about and skilled in the product's use. Rarely is this true, as was recently discovered by a large, chain-saw manufacturer. This particular company had manufactured chain saws for commercial use for over 20 years. They decided to enter the market for chain saws to be used by the backyard hobbyist and weekend woodsmen. Their advertising campaign stressed the energy saving value of heating one's home from the backyard woodpile. The company overlooked the fact that their new customers were not skilled loggers and many were scared to death of a chain saw. Later ads stressing the ease and simplicity of their product's use brought a much more favorable market response.

Rule III. Look towards advertising as an investment, not as a form of speculation. Some agribusiness advertisers may use special manufacturer sales campaigns to form the basis for their own

sporadic entry into retail advertising. Their entry is sporadic and viewed more as a gamble than as a component to a serious, long run, sales plan. The gamble is followed by a disappointing sales response. The advertiser now becomes disenchanted and begins to retrench to within a totally unimaginative sales program. This sporadic approach to advertising has proven to be wasteful, it may have upset the economic equilibrium of the market, and it has given the customer the impression that the firm operates within an "on-again, off-again" sales philosophy.

Rule IV. As a natural corollary to Rule III, this rule suggests that the advertiser should not expect an overwhelming response in the way of sales from the placement of his very first ad. Advertising does not work that way and is only rarely aimed at the impulsive buyer. Good advertising slowly, but steadily, adds to the mental storehouse of the prospect-customer a net addition after addition to his product impression. This supplementation process continues until the prospect-customer has built up a well-defined image of the product and the service it will perform for him. Repetition is, of course, of some importance in this process, but so is longevity. Pause for a moment and try to recall those TV advertisements, which have left the greatest impression on your mind this past year. Chances are that repetition and longevity contributed much to the ad's success. Quite obviously United's "friendly skies" and Ford's "better idea" would not have left their mark had the advertiser terminated the ad campaigns in their first week of national exposure. While agribusiness advertisers cannot consider themselves in the same market with Ford Motor Co. or United Airlines, they must be prepared to give each advertising program a fair amount of time to prove itself.

Rule V. Advertising, no matter how imaginative and appealing it may first appear, will prove ineffective unless the advertiser is willing to offer a product which will genuinely serve some human want. In the analogy noted earlier, the customer must be convinced that the better mousetrap will have some direct utilitarian

value to him. In this regard, the agribusiness industry has a natural affinity to the practical, the useful, or the pragmatic. With only a few possible exceptions, the industry has avoided stigmas such as those normally associated with fashion, style, visual appeal, image, or other psychic factors. Let's hope this psychic avoidance continues because trying to sell fertilizer as if it were breakfast cereal or a soft drink would call for a shocking adjustment; one which the industry can ill afford. Some merchandising miracles, such as the "pet rock," can still be found, but agribusiness cannot afford to risk its advertising budgets on such odds. Moreover, the content of the ad, the media chosen, and the manner of release should always be judged on the basis of their ability to reinforce the practical attributes of the product and its ability to satisfy basic human wants.

Rule VI. Finally, it can be shown that the advertiser is destined for disappointment if he uses advertising to satisfy his own self-ego, or if his sole objective is to match the competitor's advertising appropriation dollar for dollar. How often have you seen local merchants initiate special sales promotion and advertising campaigns as a competitive reaction rather than action. Such reaction decisions are usually made too quickly, with insufficient study, and are directed against the competitor rather than for the customer. Advertising programs should be tailored to the needs of the customers and designed to promote those characteristics peculiar to the particular business concern. A "me-too" advertisement not only negates these two basic principles, but also represents, explicitly, a lack of advertiser originality and initiative.

Alternative Advertising Forms

From a strictly academic point of view, there exists two forms of advertising, i.e., that which introduces a commodity or a service (often called product-oriented) and that which conveys a business's policy or point of view (often called institutional-oriented). Agribusiness firms often have a well-established, product-oriented, advertising program. These programs are

linked to seasonal specialty items and special manufacturer sales. As a result, such programs are viewed as successful and efficient. Unfortunately, few agribusiness firms have been able or willing to make institutionally oriented programs a regular part of their advertising budget.

Management often fails to realize that the function of good public relations is best facilitated through an institutional advertising program. This failure often arises as a result of management's inability to recognize characteristics of their own firm as being worthy of a public relations message. I am not suggesting that each time your firm makes a small contribution to the local FFA chapter this should be advertised in the local media. However, there usually are numerous activities which are "newsworthy" and do form the basis for a credible public-relations message. For example, ask yourself if any of the following have occurred within the past six months?

1. Completion of a successful employee relations event?
2. Establishment of an unusual provision for safeguarding the health of your workers?
3. Improving on the special qualifications of your firm regarding its ability to provide better service?
4. Improving on the certificated expertise of company representatives?
5. Better use of raw materials or byproducts to the betterment of the economy, trade sector, or local community?
6. Other basic business phenomenon, such as, mergers, acquisitions, consolidations, or expansions that resulted in improved service, expanded product availability or better product reliability?

If you can answer positively to any of the above questions, chances are that some

type of institutional advertising would prove warranted and effective.

Retaining Advertising Appeal

As noted earlier, effective advertising can only be judged in the long run. And to remain effective over long periods, the advertiser must retain advertising's appeal to the customer. Retaining this appeal is not easy, as the contemporary customer often takes on a rather blasé attitude toward advertising and is often possessed of a short duration span of interest; i.e., he remembers best only what he has experienced most recently.

To maintain advertising's appeal, I would first suggest to the agribusiness advertiser that his message be kept orderly, clear, simple, and free from any elements of mystery. Farmers and ranchers have learned from experience that impulse buying and all forms of huckstering result in added expenses. They have an active desire to learn about a product, but rely heavily on a practical or, "show me first" attitude. Any manufacturer or retailer who is reluctant to describe the attributes of his products is viewed with suspicion. Because of these two characteristics, agricultural trade fairs have proven to be a successful form of advertising in the agribusiness industry. Such fairs also provide a necessary degree of continuity for advertisers.

One advertising trade cliché suggests that a good advertiser spends 90 percent of his time thinking about the prospective customer and the remaining 10 percent thinking about what he wants to say to him. By following this practice, the good advertiser spends a great deal of time researching the buying habits and preferences of his current and prospective customers. "Market research," as this effort is often defined, is vital to advertising's appeal. Yet market research in the agribusiness industry need not comprise a sophisticated study, nor the retention of a private consulting firm. In most cases, market research requires little more than a particularly observant manager; one who conscientiously gathers and evaluates on an

informal level data associated with his customers, competitors, trade channels, market conditions, farm commodity prices, weather, etc. From such observation and study comes improvement in his product, in the packaging, in the delivery system and in his advertising program's appeal.

Next, one must recognize that a market will change more often than is normally assumed. A friend of mine made a regular practice of color-coding a county road map of his market area. Surface area was color-shaded to show acreage served each year by his own firm and competing fertilizer retailers. Other numerical codes were placed on the map to show current cropping patterns, cultural practices, and land-ownership changes. It was only by looking at these maps over a series of years that his manager began to realize why his nitrogenous-fertilizer advertising appeared to be losing its effectiveness, i.e., many of his customers had slowly shifted acreage from wheat to pea and hay production so that fertilizers of different composition were now required. His advertising program had lost its appeal because the market had changed more rapidly and extensively than expected.

Exaggeration in Advertising

When one begins to discuss advertising, the question is always asked, "Is the suggestive, quiet type of advertising better than the blatant, exaggerating type?"

In perfect candor, I must admit that sometimes and with some people exaggeration is very effective as an attention-grabber. Let's accept the fact that we all live in an age of exaggerations, where exaggeration is as natural as breathing and often meant to be more illustrative than illusory. When exaggeration really fails, of course, is when it contributes to a misstatement about product quality, deceit as to the service rendered, or blatant illusion about the product's effectiveness or level of efficiency. Every ex-GI knows how the company quartermaster routinely discounted requisitions for supplies on the general knowledge that the average soldier always

asked for twice as much as he really needed! In much the same way, modern-day farmers and ranchers are accustomed to stripping an advertisement of its superlatives and discounting the claims of the near-miraculous. Still the agribusiness advertiser must recognize that his market is demanding of a practical and reasonable advertising message. If he once transgresses the line from the acceptable superlatives to the blatantly absurd, he will likely insult his customer or raise their ire to a level where all future patronage will be lost.

Summary

Agribusiness advertising has been shown to have many positive attributes. Commodity or product-oriented advertising encourages the development of better products at a lower cost, it informs consumers of new products and new uses, and it contributes towards the more effective use of the product by the consumer, thereby, improving his well being. Institutionally oriented advertising develops customer's awareness, develops employee pride in the company and demonstrates management's pride in its work force or operating policies. The successful advertiser always thinks of the customer first. He directs his advertising message towards the improved utilization of his product by his customers. He views his advertising program as a long-term investment rather than a spot speculation. And finally, he avoids all forms of "me too" type advertising programs. Retaining advertising's appeal was shown to be a function of 1) the clarity of the advertising message, 2) the application to human needs, and 3) the relevance of the message to an ever changing market.

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