



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

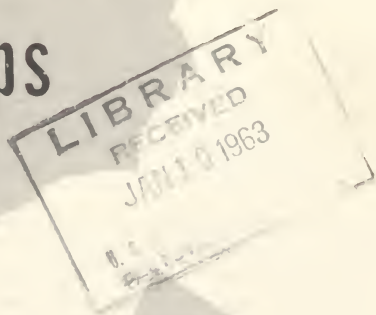
Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.



g 84 Mr
no. 567

Advertising Procedures and Practices of Agricultural Commodity Promotion Groups



Marketing Research Report No. 567

Marketing Economics Division

Economic Research Service

U.S. DEPARTMENT OF AGRICULTURE

PREFACE

This study is one of a group conducted by the United States Department of Agriculture to furnish factual information to agricultural producers engaged in promotion activities. The Department cooperates with agricultural promotion groups by furnishing counsel and advice and through cooperative research. Many of the commodity groups contribute to the cost of the Department's research effort in this area.

Specifically, this study was undertaken to provide agricultural promotion groups with a broader perspective of administrative processes through which advertising and promotion programs can best be conceived and implemented. The study was conducted and a report prepared for the Department under contract by the School of Business, Northwestern University, Evanston, Ill. Peter L. Henderson, Wendell E. Clement, and William S. Hoofnagle represented the Department in planning and coordinating the work.

CONTENTS

	<u>Page</u>
Summary	iv
Introduction	1
Procedures and practices in promotion	2
The promotion objective	2
Marketing research by promotion groups	4
Research assistance by agencies	4
Consumer media advertising	5
Consumer non-media promotion	8
Trade and institutional promotion	10
Joint promotions	13
Cooperative advertising allowances	13
Other advertising and promotion techniques	14
Organization and control of promotion	14
Determination of advertising and promotion policy	15
Followup and control of promotion	15
Membership control and review	16
Organizational structure for specific forms of promotion	16
Promotion group--agency relationships	17
Agency selection	17
Client-agency communication procedures	18
Agency procedures	19
Preparation of advertising by promotion groups	19
Other services obtained from advertising agencies	19
Services obtained from other agencies	20
Evaluation of the promotion program	20
Conclusions	21
Suggested promotion procedures	22
A. The promotion potential	23
B. Promotion objectives	24
C. Agency assistance	24
D. The promotion program	25
E. Control and supervision	26
F. Appraisal of promotion	26
Appendix	27
Survey methodology and characteristics of sample groups	27
Sample design	27
Characteristics of respondent groups	29

November 1962

SUMMARY

This report presents results of a survey of practices and procedures followed by selected groups in attempting to expand the demand for agricultural products through promotion. Recommendations of ways to improve the planning and operation of promotion programs are suggested.

Most of the respondent groups tended to express their promotion objectives in a general purpose context, rather than stating specific goals or targets. Such generalities while reflecting the purpose of promotion are inadequate for planning a specific promotion program. Advertising agencies also tended to generalize as to the promotion objectives of their agricultural clients, but were usually more specific than promotion groups.

From one-third to one-fourth of the promotion groups conducted marketing research. However, very little of this research has been directed toward promotion planning or evaluation.

All marketing cooperatives and commercial food firms, and two-thirds of the producer groups included in the study, were engaged in some type of consumer advertising involving multiple media in most instances. Consumer media advertising by producer groups generally was less consistent over time and more limited in scope than that of cooperatives and commercial food firms. The major media--radio, television, magazines, and newspapers--were used by the groups to a varying extent. Newspapers were used by more groups than any other media, but expenditures for individual media varied sharply, both among and between the three promotion groups studied.

Various forms of consumer oriented non-media promotion were also used. This included distribution of printed matter such as recipe booklets, sponsorship of consumer contests, participation in fairs and shows, passing out specialty items as gifts, and sponsoring educational activities.

Trade and institutional promotion also played an important role in the overall programs of the respondent groups. Much of the trade and institutional promotion was directed toward market development. Joint effort with such groups as home economists and trade associations was typical of general development activities. More specific programs were the distribution of in-store display or point-of-purchase materials, dealer service activity, and joint promotions with other commodity or product promotion groups. About half the producer groups, and three-fourths of the marketing cooperatives and food firms, had a field force or dealer service organization. Their principal function was to assist the trade in merchandising the products promoted by the employing organization. This generally included distribution of point-of-purchase material and assistance in building product displays in retail supermarkets. However, some groups also used their field force for sales purposes. Expenditures reported for field force support varied widely as a result of the number of fieldmen employed and the scope of their duties.

In-store promotion materials were produced and distributed by a great majority of the three promotion groups. Groups with a field force generally relied on this force to distribute these materials, but others distributed by mail. Cooperatives depended to a great extent on food brokers and distributors to reach individual retail outlets with such materials.

Other forms of trade promotion included participating in conventions, fairs, and

shows sponsored by trade groups, sponsoring contests for trade people and advertising in trade journals. Fairly strong emphasis was placed on trade advertising.

In addition to the distributive trade, limited promotion effort was directed to food processors. The mass feeding market was a promotion target of nearly two-thirds of the producer groups and from one-fifth to one-fourth of the cooperatives and food firms. All three groups indicated they received substantial promotion assistance through editorial publicity.

Many of the respondent promotion groups attempted to get more mileage from their promotion expenditures by joining with other organizations in promoting complementary products. Advertising, in-store promotion material and recipes were often used in such joint activities.

No producer-promotion groups reported expenditures for cooperative advertising, but this form of advertising was used by more than half of the marketing cooperatives and about three-fourths of the commercial food firms.

Substantial variation was found among and between groups as to who or what organizational unit determined the promotion policy. To some extent this was due to differences in the basic purposes and functions of the three groups. Both marketing cooperatives and commercial food firms, in addition to promotion, were engaged directly in the marketing of a product or products. On the other hand, producer-promotion groups as the name implies were responsible only for promotion.

For practically all producer-promotion groups, the board of directors was involved in promotion policy formulation, having sole responsibility in almost half the cases and sharing it with executives of the groups, principally the managers in others. The chief executive was the key figure in establishing promotion policy in marketing cooperatives. In many instances, he was assisted by other staff members, but in only three of the cooperatives was promotion policy formulation the responsibility of the board of directors. For commercial food firms, policy formulation was almost always a committee function. Specific questioning as to agency participation revealed that the agencies often played an influential role in policy formulation of the three promotion groups.

The followup and control of promotion was primarily the responsibility of the chief executive officer in both the producer groups and marketing cooperatives. In those instances where responsibility was shared, the chief executive generally was involved or had final authority. Most often the food firms assigned this responsibility to either their sales or advertising managers or directors of marketing. Most of these groups had a limited staff and a minimum of promotion specialists to assist the chief executive. For example, only three producer groups had advertising managers and although three-fourths carried out dealer service activities, only four had merchandising managers. Out of 19 producer groups reporting marketing research activities, four had research directors.

While most cooperatives did not have separate managers or directors for advertising, merchandising, research, and public relations, their organizational structure often permitted a moderate degree of specialization and allowed some delegation of authority by the chief executive officer.

No set or established procedures were followed by the three promotion groups in selecting an advertising agency. Personal knowledge of the agency, its general reputation, and experience were mentioned most often as criteria. Only a small proportion

of the groups had made extensive use of either presentations or questionnaires as screening devices in agency selection.

The promotional groups indicated that communications with their agencies were generally in an informal manner and were accomplished through frequent meetings, supplemented by written or telephone communications. While both agencies and promotion groups expressed general satisfaction with communication practices, some problem areas were mentioned. These were primarily in respect to timing of contacts, point of contact, and sources of responsibility or authority.

In many instances there was no firm provision made by the promotion groups for systematic progress reports by their agencies. In a few instances, agencies indicated their clients did not desire to be bothered with details of program development.

In addition to media advertising services, a large number of promotion groups received a variety of other services from their advertising agencies. No definite procedure was followed in determining the other services requested by promotion groups or offered by agencies. In most cases, these extra services were paid for on a separate basis.

Only a small proportion of the respondent promotion groups obtained assistance other than that offered by their advertising agencies. Public relations agencies were employed by a number of groups.

Comments on the overall effectiveness of their promotion programs indicated general satisfaction with their adequacy and effectiveness. Need for improvement was primarily in expansion through larger budgets.

A minimum of evidence was found on planned appraisal of promotion effort and the application of research in program improvement.

ADVERTISING PROCEDURES AND PRACTICES OF AGRICULTURAL COMMODITY PROMOTION GROUPS 1/

By Robert E. Frye, Harper W. Boyd, Jr., and Ralph Westfall

INTRODUCTION

Substantial amounts of money and effort are being invested by farm groups and processors of agricultural products in promotion activities. In 1958, it was estimated that some 1,100 farm groups or organizations were engaged in promotion activities, spending around \$75 million annually to maintain and strengthen their markets. 2/ These groups primarily represent producers and those engaged in marketing farm products who have banded together in commissions, councils, boards, and cooperatives to sell more of their products. The membership of these groups ranges from less than a hundred to over a million. Some groups draw their membership from a single State, others are regional, and some are national in scope.

Although some groups have long experience in promotion, this is a relatively new field of endeavor for many groups. Furthermore, most groups have relatively limited financial resources and cannot employ specialized personnel to formulate sound policy and procedures for their promotion programs.

To assist these groups and to provide comparative benchmarks for those more experienced in promotion, a study was undertaken to analyze the promotion practices followed by selected producer-oriented promotion groups, commercial food firms, and advertising agencies. The objectives of this analysis were to: (1) Determine promotion methods and programs used by agricultural groups to create demand for their respective products, (2) ascertain the organizational structure and practices used to administer promotion activities, (3) appraise advertiser-agency relationships and responsibilities in carrying out promotion programs, (4) determine the amount of expenditure for the several phases of promotion programs and the manner in which payments to advertising and public relation agencies are allocated among different services provided by the agencies, and (5) provide a basis for making broad recommendations for increasing the effectiveness of programs to create demands.

1/ This report was developed from a contract report prepared by Dr. Harper W. Boyd, Jr., Mr. William C. Gordon, and Dr. Ralph Westfall, Northwestern University, Evanston, Ill. Mr. Frye is in the Marketing Economics Division, Economic Research Service, U. S. Department of Agriculture.

2/ Frye, Robert E. and Grubbs, V.D. Promotion of Farm Products by Agricultural Groups. Mktg. Res. Rpt. 380, U. S. Dept. Agr., January 1960.

The study does not attempt to determine what promotion forms are best or evaluate the sales effectiveness of the program of any of the groups. However, questions are raised about the way promotion programs were handled by the groups studied. These questions are not intended as indictments of the promotion performance of the groups, but as a stimulus for self-examination and adoption of practices which will increase the effectiveness of the demand creation programs of agricultural groups.

The study was conducted among agriculturally-oriented promotion groups, utilizing the case method approach. ^{3/} A total of four samples were drawn, one comprising 35 producer-promotion groups, a second comprising 19 marketing cooperatives, a third comprising 16 commercial food firms (processors and distributors), and a fourth comprising 35 advertising and public relation agencies.

PROCEDURES AND PRACTICES IN PROMOTION

The Promotion Objective

All respondents--producer groups, marketing cooperatives, and commercial food firms--gave statements of the objectives of their promotional programs. Most of the statements were couched in such general terms as "to increase sales," "to expand the use," and "to improve the demand." While reflecting the legitimate and ultimate purpose of promotional effort, such terms, other than to indicate approval or belief in promotion, provide limited guidance in planning and implementing an operating program.

In only a few cases were statements of objectives at a lower level of scope, where detailed goals such as increasing a specific use, increasing consumption in a particular area or type of market, or extent of market coverage, spelled out.

While it is axiomatic that the purpose of promotion is to increase sales and expand demand, more specific objectives must be adopted before a program can be planned. It appears that these specific objectives may often be determined by the advertising agency or by promotion group personnel below top management level.

In some instances where specific or detailed statements were made, it appeared that promotion objectives were formulated to meet short-term or immediate problems rather than the longrun interests of the industry concerned.

Producer-promotion groups.--More than two-thirds of the producer-promotion groups indicated the primary objective of their promotion effort was to promote and sell more products or to increase consumption. Some groups elaborated somewhat on this theme by characterizing their effort as, "attempting to correct gaps in the market," "creating a more favorable climate for sales," "encouraging nonusers," and "creating a favorable consumer franchise."

Other major objectives mentioned were to increase consumer awareness and dealer interest, to promote health and human welfare through use and knowledge of the product, and to stabilize markets and prices.

Several secondary or related objectives were mentioned by respondents. Among these were, "to stimulate greater use in periods of both high and low demand," "to

^{3/} Appendix - Survey Methodology and Characteristics of Groups Studied.

trigger industry to do more brand advertising," "to augment and strengthen promotion programs of individual members," and "to contribute to a more secure American agriculture and national well-being."

Promotion objectives of the respondent-producer groups appear to have been fairly stable over time. A sizable majority, 30 producer groups, indicated their promotion objectives had not substantially changed during the preceding decade. Only four groups indicated a change in promotion objectives in the last 10 years.

In view of the general terminology in which statements of objectives were phrased, it is not surprising that no change has occurred in promotion objectives. On the other hand, with the major changes that have taken place in our marketing system during the last decade, it appears that more noticeable changes in promotion objectives should have occurred even if stated in general terms.

Marketing cooperatives.--The major promotion objectives of the marketing cooperatives were basically similar to those of the producer promotion-groups; that is, to increase sales and acceptance of their products. However, a major and detectable difference was the recognition of and emphasis on brand and product differentiation by cooperatives, whereas producer groups used the commodity approach. Only two of the cooperatives reported a major change in their promotion objectives over the last 10 years.

Commercial food processors.--While promotion objectives of the commercial food processors included in the study were more detailed and specific than either the producer groups or cooperatives, to increase sales was still the principally stated objective. Commercial food firms appeared to place a great deal of emphasis on demand creation through increased consumer awareness of their brands and the quality of their products. A number of food firms also had rather specific promotion objectives aimed at the trade, "to hold dealers," "to get more dealers," and "to create trade interest."

Since a food firm is interested primarily in selling a brand product (his own) rather than a commodity or commodities, emphasis on product differentiation was characteristic of both trade and consumer advertising and promotion.

Advertising agencies.--Practically all agencies included in the study provided a statement of the promotion objectives of their agricultural promotion group clients. Their statements of objectives, like those of producer-promotion groups and cooperatives, tended to be in general terms and might be summed up as to increase sales. Advertising agencies were not asked to discuss the promotion objectives of commercial food firm clients.

A sizable proportion of the agencies indicated that the overall promotion objective of their clients was to broaden the market. However, further elaboration pointed up more specific objectives such as introducing new products, better market diversification, and national distribution. In a few cases, objectives were pinpointed as to the specific market target such as to stimulate sales to institutions and schools. A number of agencies indicated their clients' objectives were to increase consumer and trade education about the product and to stimulate better retail selling and display.

Despite general statements of objectives using such terminology as, "to strengthen channels of distribution," "to get the best returns for the producer or grower," "to achieve greater stability," or "to provide for the betterment of agriculture," advertising agencies were by far more specific or detailed as to the promotion objectives of

their clients than were their producer group or marketing cooperative clients. While this is not conclusive evidence, it does suggest that advertising agencies play a leading, if not decisive, role in formulating the promotion objectives of their clients.

Marketing Research by Promotion Groups

Around one-third of the producer groups and marketing cooperatives had conducted some marketing research within their own organizations, exclusive of agency help. Only one-fourth of the commercial food firms reported similar research efforts.

Among the producer groups, research involving evaluation of marketing ideas, image studies, market potentials, and distribution channels was mentioned most often. Marketing cooperatives that conducted research appeared to concentrate on product testing and development of market potentials. The commercial food firms devoted the greatest share of their research effort to product development and testing, and distribution channel studies.

Too little information was provided to show a representative picture of the expenditures of the promotion groups for research. For those indicating expenditures, an extremely wide range in research effort was shown.

Five of the producer groups, two marketing cooperatives, and one food firm indicated that they had conducted joint research projects with either State or Federal agencies. This research involved a varied range of subjects including evaluation of point-of-purchase material effectiveness, storage methods, product nutrition, channels of distribution, consumption patterns, and consumer attitudes and food habits. Even if all the research reported was considered marketing research, it is obvious that it could have had, at the most, only a modest influence on the promotion activities of the agricultural groups.

Research Assistance by Agencies

Producer-promotion groups.--Less than one-third of the producer groups that retained an advertising agency indicated that they received any marketing research assistance from them. Other producer groups either had not received or had not sought marketing research assistance from their agencies. Where agencies did provide research assistance, the producer groups indicated that it was on an occasional, as needed, or when requested, rather than on a continuing or regular basis. Research included consumer attitude surveys, market potential studies, and some test marketing of products. Producer groups showed little awareness that copy testing or media evaluations were being carried out by their advertising agencies. Some of the producer groups indicated they were charged a special or additional fee for research services provided by their agencies while others indicated that research was part of the regular service provided by their agencies. Comments of producer groups indicated that suggestions or ideas for research came almost equally from within their own organizations and from their agencies.

Marketing cooperatives.--About half of the marketing cooperatives with formal advertising agency relationships indicated they received research assistance from their agencies. For those cooperatives not receiving research assistance, it was not determined if this was because it was not sought or their agencies were not equipped to offer it. Research assistance, if provided, was generally on an occasional basis.

Around half of the cooperatives receiving research assistance indicated it was provided as a part of a regular service of their agencies. All others indicated that research assistance was provided only on a special or separate fee basis. Agency research performed for cooperatives was directed toward determining sales response to special promotions, consumer acceptance, and product potentials among other less frequently mentioned objectives.

Commercial food firms.--Nearly half of the commercial food firms using advertising agencies said they had received research assistance from them, at least occasionally. This research was directed primarily toward market potentials, new product evaluations, advertising research, and brand penetration. Food firms, in most instances, indicated that they were charged separately for the research services provided by their agencies.

Advertising agencies.--As might be expected, the advertising agencies contacted provided a somewhat different view of their research efforts than did the client agricultural groups. From the agencies' viewpoint, their research was much more extensive than pictured by the agricultural promotion groups included in the study.

About two-thirds of the advertising agencies said they had done some types of research for their agricultural product clients during the year preceding the survey. Only one of the agencies contacted had no facilities for conducting research.

Advertising agencies indicated that evaluations of advertising and copy effectiveness and consumer attitude and opinion studies were the most frequent forms of research provided for their clients. Test marketing of products and marketing potential studies also were mentioned fairly frequently.

Since agricultural promotion groups did not generally indicate that advertising evaluation and copy testing were research services commonly provided by their agencies, the possibility is raised that clients thought of this as a routine practice of the agencies and not as research. On the other hand, it is possible that copy and media evaluation may not be considered vital by agricultural promotion groups.

From a procedural standpoint, agencies indicated there was no established pattern for determining if, what, and when research was to be done, its scope, or financial responsibility. As would be expected, most agencies said they consulted with clients before recommending research be undertaken and secured their clients' approval before beginning work. In most cases, agencies indicated that the cost of copy or media research resulted in no additional charge to their clients. However, more than half of the agencies who provided information on research costs, charged their clients for some or all of the cost of any research not involving or directly related to copy or media. A few agencies indicated that all research performed, regardless of type, was charged to the client. To a great extent, it appeared that charges for research may depend upon the size of agency, its research capabilities, the nature of the problem, and the importance of the account.

Consumer Media Advertising

All marketing cooperatives and commercial food firms included in the study were engaged in some type of direct consumer advertising involving in most instances multiple media. While two-thirds of the producer groups were involved in consumer media advertising, their programs were generally less consistent and more limited in scope than those of either cooperatives or commercial food firms. A majority of

the producer-promotion groups that used some type or combination of consumer media indicated that its level varied considerably during the year with heaviest emphasis occurring during March, April, and September. Expenditures for consumer media during the "heavy" months were often two-to-five times greater than during "light" months. About half of the cooperatives and food firms using consumer media indicated some seasonal variations in their advertising pattern, but they were less pronounced than for producer-promotion groups.

The variable pattern taken by consumer media advertising sponsored by producer-promotion groups appears to be, at least in part, a reflection of the highly seasonal nature of commodities promoted by many groups. Cooperatives and commercial food firms, either through diversity of products marketed or through processing, appear to have extended their marketing periods and consequently given more continuity to their promotion efforts.

Radio.--Radio was a particularly popular medium for marketing cooperatives. All but one of the cooperatives that were engaged in consumer advertising used this medium. Radio was also popular with the other promotion groups, although less frequent use was reported. Slightly more than half the producer-promotion groups and about two-thirds of the commercial food firms employed radio as a medium to reach consumers. Practically all groups that used radio did so in combination with one or more other media. The use of spot radio of a local and regional nature predominated among all three groups. A few producer-promotion groups used national radio.

In appraising the geographical coverage of any of the various media used, it should be pointed out that many of the cooperatives and food firms were essentially local or regional in the scope of their marketing operations, and had no need for national coverage in any medium. On the other hand, a larger proportion of the producer groups were faced with the task of demand creation at the national level. All groups using radio did not report expenditures but those that did showed a wide range in expenditures from a low of \$100 to a high of \$25,000. Medium expenditures by producer-promotion groups were considerably higher than that of the cooperatives or food firms, table 1.

Television.--Television was also found to be a popular medium used by the groups in reaching consumers with their promotion message. For those engaged in consumer advertising, television was used by about one-half of the producer groups and marketing cooperatives. Slightly less than half of the commercial food firms used this medium. However, a few of the larger food firms were heavy spenders for television. Like radio, television coverage was local or regional in coverage and tended to be spot rather than program in character. Also, television coverage tended to parallel radio coverage when both were used. No particular pattern can be seen from examining expenditures for television as the amount allocated to this medium ranged from a low of \$200 to a high of between \$2 and \$3 million. However, the medium expenditure of each of the three groups clearly indicates that commercial food firms were more heavily committed to television than the other groups (table 1).

Consumer magazines.--On the whole, magazine advertising was used by fewer groups than either radio or television. However, the same number of food firms used magazines as television (table 1).

For a few producer-promotion groups, magazines were the only consumer medium used. However, more often the groups used magazines in combination with other media--usually with radio and newspapers. Producer-promotion groups and cooperatives used only magazines having national coverage, the majority of which were women's

Table 1.--Advertising media used and the annual median expenditures of selected agricultural promotion groups

Media	: Producer-promotion group :		: Marketing cooperatives :		: Commercial food firms	
	Using	Median expenditure <u>1/</u>	Using	Median expenditure <u>1/</u>	Using	Median expenditure <u>1/</u>
	Number	Dollars	Number	Dollars	Number	Dollars
Radio.....	12	37,000	15	11,500	11	15,000
Television.....	14	24,000	9	23,000	7	200,000
Consumer magazines.....	8	145,000	4	260,000	7	20,000
Newspapers.....	14	30,000	14	10,000	14	55,000
Outdoor and car card.....	10	18,000	8	13,000	8	18,000

1/ In most instances the median expenditure of each of three respondent promotion groups is based on a smaller number than using, as all respondents did not report expenditures.

or home oriented publications. It was not determined if the national magazines used offered regional coverage or if this option was exercised by any of the groups. On the other hand, commercial food firms used both regional and national magazines.

Most promotion groups were inclined to spread their magazine advertising among a number of publications. For example, the use of eight separate magazines was reported by one marketing cooperative, and use of three or more publications was not unusual.

As a rule, magazine expenditures were much heavier than any other medium for both producer-promotion and cooperative groups. The medium expenditure of commercial food firms was close to that for radio, but considerably less than for television (table 1). Again, it should be pointed out that all groups using this medium did not report expenditures.

Newspapers.--Overall, a larger number of promotion groups used newspapers for consumer advertising than any other medium. Practically all groups employed newspapers in combination with other media, most often radio or television. The majority of all three promotion groups used weekday issues as the main carrier of their newspaper advertising messages with some use of special issues and Sunday supplements.

Newspaper advertising coverage varied rather widely both within and among the three groups. For example, among producer-promotion groups, the number of markets covered by newspaper ads ranged from one to one hundred thirty. Average coverage was probably between 20 to 26 markets. Marketing cooperatives using newspaper advertising had an average coverage of around 10 markets. The Pacific and East North Central regions received the bulk of the newspaper advertising of the producer groups and marketing cooperatives. In view of the location of the majority of both the producer groups and cooperatives studied in this general area, this geographical allocation of newspaper coverage is not surprising. However, producer-promotion groups showed a strong leaning toward national coverage in a number of other consumer media.

A majority of the commercial food firms did the bulk of their newspaper advertising in areas east of the Mississippi River, and most of them bought coverage in less than nine markets. However, the medium expenditure for newspaper ads by commercial food firms was considerably higher than for either producer groups or marketing cooperatives (table 1).

Other media.--Some use was made of miscellaneous publications such as service clubs or association magazines, athletic event programs, and trade magazines. The use of these media did not loom large in the overall promotion program of any of the groups.

Outdoor and car card advertising were fairly popular media for all groups. Generally, the kind of market covered in this manner was the large cities in the primary marketing area of the sponsoring group. In most cases, outdoor and car card advertising were used in combination with other media. However, one relatively small food firm used this exclusively for its consumer media advertising program. Expenditures for this type of advertising were fairly high (table 1).

Consumer Non-Media Promotion

Various forms of promotion, not involving regular advertising media, were used by each of the three promotion groups. This included distribution of promotion

literature, sponsorship of consumer contests, participation in fairs and exhibitions, distribution of novelties or special items as gifts, offering educational services, and a host of other forms of promotion.

Promotion literature.--Distribution of some form of printed matter such as recipe booklets or folders, cookbooks, product line folders or catalogues, health tip and diet pamphlets, and product educational materials was indicated by a majority in each of the three promotion groups. However, recipe booklets or folders were by far the most popular single form of promotion literature distributed.

Various methods were used for distributing promotion literature. Probably, the most common was filling mail orders in response to coupon or other types of advertising invitation. These materials were also distributed by salesmen and through retail outlets, schools, clubs, and at fairs and conventions.

While most groups expressed satisfaction with this form of promotion, there were indications of some uncertainty as to the results obtained. A few groups felt that it was too costly and wasteful for the results achieved. While this form of promotion did not generally receive as much financial emphasis as consumer media programs, it was widely used, particularly by producer-promotion groups.

Contests.--Sponsorship of various types of consumer contests was reported by one-fourth to one-third of the three promotion groups included in the study. Recipe and guessing contests were mentioned as the types used most frequently, although cookery and poster contests and 4-H awards programs were also sponsored. In most cases, contests were sponsored on an "appropriate occasion" basis rather than regularly or annually. Only one group, a cooperative, spent as much as \$6,000 in this manner. The median expenditure of each of the three groups was less than \$3,000.

Fairs and shows.--Participation in fairs and exhibitions appeared to have a slightly greater popularity and prominence as a promotional device than did consumer contests. About one-half of all producer groups and marketing cooperatives and one-third of the commercial food firms participated in this type of activity during the preceding year.

This form of promotion usually involved demonstrations or exhibitions, where products were shown and product samples and promotional literature were distributed to visitors. Commercial food firms were less active in this area than other groups. Those that did engage, generally, confined their activity to passing out product samples. Except for a few producer-promotion groups that relied heavily on this type of promotion, expenditures for all groups tended to be nominal in this area.

Consumer specialty items.--Gifts ranging from product samples to thermometers were used by a number of groups to promote their products. This form of promotion was more popular with commercial food firms (13) and marketing cooperatives (10) than producer groups (8). While product samples were probably the most frequently mentioned gift, there was no predominant pattern as to type of gift. Each individual group apparently tried to be different or novel in their gift selection.

Cooperatives and food firms using this form of promotion relied heavily on distribution through their salesmen or retail outlets. Distribution of novelty items at conventions, banquets, fairs, and meetings of various organizations was particularly emphasized by producer groups.

The use of gifts as a promotional device, although fairly common did not generally

occupy a prominent place in the program of the individual promotion group. No producer-promotion or cooperative group spent more than \$5,000 for gift promotion. While some commercial food firms allocated as much as \$50,000 to this type of promotion, this was the exception. Most of these firms spent \$3,500 or less.

Educational activity.--Around half the producer groups, marketing cooperatives, and commercial food firms indicated that they either sponsored or were directly engaged in some form of consumer education. The most frequently mentioned forms were retail demonstrations of product use, dissemination of product information through publications, speeches before consumer groups and plant tours. There were indications that groups having field representatives used them, where possible, in educational type activities.

An examination of the educational programs of the groups indicated a great deal of inconsistency in classifying activities as promotional or educational. Because of this, estimates of expenditures for educational activities are not a sound basis for comparison. Despite the fact that educational effort appeared to be considered highly important by most groups, only about half of those engaged in educational effort gave estimates of expenditures.

Trade and Institutional Promotion

Practically all groups considered trade and institutional promotion an important part of their overall advertising and promotion program. Only three organizations had no such program.

Trade advertising and promotion tended to be more consistent in volume and scope than consumer promotion programs. Where variation did occur, the seasonal pattern and emphasis tended to coincide with and compensate for low levels of consumer promotion.

General market development programs, often jointly sponsored with other organized groups such as home economists and trade associations, were frequently engaged in by producer-promotion groups. Other programs closely allied with or complimenting the broad market development purpose were distribution of in-store display and point-of-purchase materials, promotions to the mass-feeding market, and joint programs with other food promotion groups. For both cooperatives and commercial food firms, distribution of in-store display material was the most frequently used form of trade promotion. Ranking next in importance were dealer-service activity for cooperatives and cooperative advertising for commercial food firms.

Promotional field force.--Field force personnel or dealer servicemen played a basic role in implementing and carrying out the trade and institutional program of all three promotion groups. Nearly half the producer-promotion groups and around three-fourths of the marketing cooperative and commercial food firms used a field force for this purpose.

The size of the field force ranged from one man to as high as 16 for producer-promotion and cooperative groups and up to 50 for food firms. The median-size field force was five people for producer-promotion groups and 13 for the food firms. In evaluating the size of field forces, it should be pointed out that some of the organizations that maintained sales forces may have included all or a portion of them under dealer servicemen.

In most cases, field representatives were on a full-time year-round basis. Functionally, the primary purpose of the field force was to assist the trade in merchandising the products or brands promoted or marketed by the employing organization. However, as indicated previously, a few organizations also used their field forces for more direct sales purposes. In most instances, merchandising assistance included distribution of point-of-purchase material and help in building product displays in retail outlets.

Expenditures for maintaining a field force generally reflected the wide range in size of this force. Producer groups listed annual expenditures ranging from \$7,400 to slightly over \$200,000, with a medium expenditure of about \$60,000. Marketing cooperatives generally indicated slightly lower costs, ranging from \$6,000 to \$175,000 with a medium cost of \$40,000. Commercial food firms, on the other hand, spent considerably more for this type of activity than did either producer groups or cooperatives. Their expenditures ranged from \$10,000 to \$500,000 with a medium of \$150,000. Again it should be pointed out that the field force of some organizations, particularly those engaged in direct marketing, performed a dual purpose, selling and promotion. In such instances, cost estimates were often somewhat arbitrary.

In-store display material.--In-store promotion material was by far the most popular and most frequently used form of trade promotion sponsored by the groups covered in this study. Promotion material for use in retail outlets was produced and distributed by 24 producer-promotion groups, 15 marketing cooperatives, and 14 commercial food firms. Material distributed included banners, streamers, posters, shelf-takers, price cards, as well as functional pieces such as display bins. Supplementing the major types of material were miscellaneous types of "attention-getters."

About half the producer-promotion groups used their field force to distribute this kind of material while the remainder distributed largely by mail. In both cases, organizations with fieldmen used them to coordinate and encourage the use of in-store promotion materials.

Commercial food firms primarily relied on their sales or promotion field force to obtain the desired distribution of this material while the marketing cooperatives depended heavily on food brokers and distributors to perform this function.

General or reasonable satisfaction with point-of-purchase material as a form of promotion was indicated by the promotion groups. A few organizations did think that the cost of these materials was excessive and that there was too much waste. A few organizations, particularly those without field representatives, felt that the followup or checking on use of materials was inadequate.

Expenditures for in-store promotion material varied widely both within and between the three promotion groups. This variation, as for other promotion activities, is in part a reflection of the wide differences in size of the promotion budget of individual groups. However, for in-store promotion materials, additional variation can probably be attributed to different methods of allocating cost, particularly those associated with distribution and placing the material in retail outlets.

The producer-promotion groups that reported expenditure for this form of promotion showed costs ranging from \$5,000 to \$150,000 with a median of \$17,500. Marketing cooperatives that reported had expenditures from \$150 to \$178,000, with a median of \$4,000. Commercial food firms had expenditures ranging from \$1,500 to \$110,000, with a median of \$10,000.

Trade conventions, fairs and shows.--Attendance and participation in conventions and trade shows played a rather important role in the trade oriented programs of these groups. About half of the organizations included this in their promotion plans. Several organizations had participated in several of these events during the year preceding the survey.

Participation was at the national, regional, and State levels. A few groups participated in international meetings. In addition to conventions or meetings sponsored by general food industry groups, active participation was shown in grocer, restaurant, hotel and food chain sponsored events.

Most of the groups engaged in this kind of promotional effort limited their activity to maintaining a display booth or exhibit, usually for the purpose of displaying the product line, and distribution of product literature or samples. A few producer-promotion groups also provided speakers for association or group meetings. Marketing cooperatives and commercial food firms tended to show less diversity, confining their activities principally to exhibits and displays.

Except for producer-promotion groups, the reporting of expenditures for this form of promotion was rather incomplete. However, reported expenditures indicate that funds allocated for this purpose tended to be conservative. Producer-promotion groups reported expenditures ranging from \$100 to \$50,000 with a median of \$500. Median expenditures of the marketing cooperatives and commercial food firms, were slightly higher.

Contests.--Contests designed for trade participation received very limited attention from the promotion groups reporting. Only six organization out of the three different groups engaged in this activity.

Advertising.--Advertising directed toward various segments of the market--wholesalers, jobbers, retailers, food processors, and mass-feeding institutions--occupied a prominent place in the promotion programs of the groups under study. In general, media advertising directed toward wholesalers and retailers receive the greatest emphasis. However, comments received regarding this form of promotion indicated that it was not always clear-cut as to which marketing agents constituted the various trade segments. Around half of the organizations in each of the three groups used advertising to reach wholesalers, jobbers, and retailers. Advertising was generally placed in grocery or food magazines serving these segments of the trade.

Costs of this trade advertising ranged from \$200 to \$75,000 with a median expenditure of \$4,000 for producer-promotion groups. Reporting commercial food firms spent from \$500 to \$13,000 with a median expenditure of \$4,000. Only five marketing cooperatives gave cost estimates and these ranged from \$1,500 to \$20,000.

Food processors.--Promotional efforts directed to the food processing segment of the market were quite limited. Only five producer-promotion groups, six marketing cooperatives, and one commercial food firm reported any effort along this line.

Mass feeding market.--Producer-promotion groups, in terms of numbers, gave more attention to the mass-feeding market than either cooperatives or commercial food firms. Nearly two-thirds of the producer-promotion groups, one-fourth of the cooperatives, and one-fifth of the commercial food firms indicated activity in this area. Again trade periodicals were the principal media, although use of direct mail, personal contacts, menu planning, recipe booklets, and such things as place mats were reported. Producer-promotion groups spent from \$60 to \$44,000 on the mass-feeding

market with the median expenditure \$10,000. Insufficient information was obtained from cooperatives and food firms to determine representative expenditures or make comparisons.

Editorial Publicity.--All three groups indicated that they obtained substantial promotion assistance through editorial publicity. Publicity releases about the products or commodities promoted appeared as articles on the food pages of magazines and newspapers and as part of public service type programs on radio and television. Techniques or procedures followed in obtaining editorial publicity were not determined.

Joint Promotions

Many of the organizations interviewed participated in some type of joint promotion effort with other organizations promoting other and generally complementary products. Although primarily consumer oriented, joint promotions were not limited to this area. This type of activity was particularly popular with producer groups. More than half of the cooperatives, but only one-fourth of the food firms, reported joint promotions with other organizations.

The most prevalent form of joint promotion was the featuring of each organization's product or products in the same ad, point-of-purchase material, or recipe folder. The idea for a joint promotion usually originated with one organization which in turn obtained the cooperation of the other, although the advertising agency was the initiator in some instances.

Responsibility for carrying out joint promotions was usually shared equally by the participating groups. However, the advertising or public relations agencies of each participating group played a prominent role. An overall appraisal of the procedures reported for conducting joint promotion indicated considerable diffusion of responsibility and authority in carrying out this type of promotion. Very little cost information was obtained on joint promotions. While a few groups indicated no expense was involved, it appeared more likely that expenses were covered under other promotion items.

Cooperative Advertising Allowances

Cooperative advertising allowances to wholesalers and retailers were reported by more than half of the marketing cooperatives and about three-fourths of the commercial food firms included in the study. No producer-promotion groups reported expenditures for cooperative ads. Reasons for nonparticipation by producer groups were not determined.

A majority of the cooperatives, and nearly all the food firms, offering allowances for cooperative advertising felt it was a satisfactory method of promotion. But a few groups thought that allowances for cooperative advertising were a price to be paid for dealer goodwill, and otherwise had little positive promotion influence. The majority who favored this type of program felt that it helped in building better dealer and customer relations and in getting more mileage out of and control over their advertising dollar.

Most of the organizations making cooperative allowances made some attempt to supervise and control expenditures by obtaining tear sheets of ads or copies of paid invoices and by periodically checking store displays where allowances are made for this purpose.

Other Advertising and Promotion Techniques

The use of visual aids as a promotional device was reported by more than three-quarters of the producer-promotion groups. Motion pictures were the predominant medium used with a few groups using slides and film strips. Many of the producer groups appeared to have used visual aids as a combination educational-promotion device in presenting their commodity story. The principal audiences reached were schools, clubs and trade groups, institutions, State fairs, church, and professional groups. As a rule, arrangements for presenting visual aids were made through a commercial film distributing agency. In some cases, however, either the sponsoring organization or its advertising agency handled distribution directly.

Only four of each of the marketing cooperatives and commercial food firms reported the use of visual aids as a promotion tool. No expenditure data for visual aid programs were obtained.

Other types of promotion programs were also mentioned by a sizable number of groups. Many of these were obviously specific types of trade or consumer promotions that would fall into the various forms of promotion previously covered.

Producer-promotion groups mentioned merchandising display kits for retailers, self-liquidating premiums, promotion dinners for trade representatives and food editors, sales clinics, gift merchandise, free samples, and educational booklets.

Marketing cooperatives mentioned price allowances, commissions for merchandising services, use of welcome wagons, financing trips for 4-H students, label redemption plans, and driver-sales incentive payments as some of the other promotional techniques used.

Other forms of promotion most frequently mentioned by commercial food firms were special product deals and salesmen contests. Still other promotion activities were self-liquidating premiums, price refunds for labels, prizes in connection with store openings, and promotion allowances to retailers for quantity purchases.

ORGANIZATION AND CONTROL OF PROMOTION

In an earlier section of the report, it was pointed out that promotion objectives of the various groups were most often stated in terms of increasing sales or enhancing demand. While this is the purpose, and a legitimate one, of all promotion effort, it obviously provides little guidance for planning or implementing a specific program of promotion. In view of the broad context in which the goals of promotion were stated, it is not surprising that the promotion groups reported little or no change in promotion objectives over the past decade. If promotion objectives had been stated by the groups in terms of narrower objectives such as type of consumer or market segments to be reached, it is believed that greater change in promotion objectives would have been reported.

This section of the report examines the organization and control exercised by the promotion groups in formulating promotion objectives and in implementing and carrying out promotion.

Determination of Advertising and Promotion Policy

Substantial variation was found as to who or what organizational unit actually determines the group's advertising and promotion policy. Some of this variation undoubtedly stems from differences in the basic purposes and functions of the groups. For example, both cooperatives and food firms are engaged in distribution, having direct control over the marketing of their products. Thus, promotion is only one of the marketing mix ingredients that may be used in seeking the most effective distribution of their products. On the other hand, and as the name implies, producer-promotion groups have promotion as a primary and generally sole function with no direct control over the marketings of the products promoted.

Among the producer-promotion groups, the board of directors was mentioned most frequently as having sole or joint control over promotion policy. In almost half the cases, the board of directors had sole responsibility while in another 10 groups, the board shared the responsibility with group executives or committees. Among the remaining producer groups, promotional policy was largely a committee function. Only one group said that its chief executive had sole responsibility for policy making.

In the majority of the cooperatives, primary responsibility for determining promotional policy was in the hands of the chief operating executive. Although the general manager was most often the key figure, it was also indicated that in many instances, sales or merchandising executives assisted the chief executive. Only three cooperatives said promotion policy determination was the responsibility of the board of directors.

Commercial food firms were fairly consistent in that responsibility for formulating advertising policy was a committee function.

Although the response by promotion groups to queries as to who establishes promotion policy showed little or no evidence of advertising agency participation, specific questioning as to agency participation revealed that they often played a vital role. In reply to the specific inquiry, more than half of the producer-promotion groups said their agencies played a major role in promotion policy formulation, while all groups stated that their agencies had participated to some extent. About half of the cooperatives and slightly less than half the food firms felt their agencies made a substantial contribution in this area.

Agency response generally indicated a more influential role in policy determination than reflected in the client viewpoint. Four-fifths of the 35 agencies interviewed said they helped in formulating the basic promotion policies of their clients, and 18 agencies stated they played a major role in these matters.

Followup and Control of Promotion

In a majority of the producer-promotion and marketing cooperatives, once advertising and promotion policies had been decided upon, promotion became the sole responsibility of the operating executive or one of his key assistants. Where responsibility was shared, the chief executive was, in most instances, involved and apparently had final responsibility.

As a rule, food firms assigned this responsibility to either their sales or advertising managers or to their directors of marketing.

The heavy responsibility for policy formulation, implementation, and control of

promotion vested in the chief executive by producer-promotion groups, reflected the singular purpose of these groups and the fact that the chief executive was probably the best qualified staff member in the promotion field. For both producer-promotion groups and cooperatives, it should be pointed out that owing to limitations on size and the staff organization, advertising or promotion specialists were often not available to share this responsibility with the chief officers.

Membership Control and Review

A total of 32 producer-promotion groups and 10 cooperatives said there was some provision for membership control and review of promotion activities. A sizable proportion of both producer groups and cooperatives said their review bodies exercised final authority over promotion work and could accept or reject a proposed program. Despite this authority, most review procedures involving the board of directors appeared to have been somewhat perfunctory, taking the forms of viewing presentations and giving a stamp of approval.

Most executives of these two groups felt that the control and review bodies, whatever their form, created no major problem in carrying out promotion. In some instances, it was reported that objections raised in review had to be ironed out and that objections upset program timing. But for the most part, it appears that the general manager or chief executive had a high degree of freedom of control and authority over promotion activities.

Organizational Structure for Specific Forms of Promotion

Some indication has already been given of the tendency of producer groups and cooperatives to centralize the responsibility for establishing policy, setting objectives and control of the promotion program in the hands of the chief executive officer. On the other hand, commercial food firms tended to center these responsibilities on key executives in overall charge of sales or promotion. This part of the report examines the extent to which the promotion groups are structured and have specialized personnel to handle specific areas of promotion such as media advertising, public relations, dealer service, and marketing research. Organization charts provided by the groups indicate that structure and personnel were so diverse that construction of any standard organization profile was not possible.

Producer-promotion groups.--Only three of the producer groups had managers of advertising. In all others, the general manager or a promotion manager, jointly or with other individuals or organizational units, exercised control over media advertising.

More than three-fourths of the producer groups carried on dealer service activity, but only in four groups was the responsibility for supervision held by a merchandising director. In five groups the manager of advertising or promotion had the responsibility for dealer service, while in all others it was the responsibility of other individuals or the general manager.

Out of 19 producer groups reporting marketing research activity, four had research directors. Again the general manager was the predominant figure although two groups reported research responsibility was held by organizations outside their own group.

Generally, those directly responsible for the various forms of promotion and depending on their level in turn reported to either the board of directors or the chief

executive officer. As pointed out previously, it appears that the board of directors seldom fully exercise the authority held.

Marketing cooperatives.--It was found that most marketing cooperatives that conducted media advertising, public relations, dealer service or marketing research placed more working control in the hands of key personnel below the level of the general manager or chief officer than did producer groups. While most cooperatives did not have individual directors or managers who devoted their sole attention to any one of these four areas of promotion, their organizational structure often permitted a moderate degree of specialization within the organization and delegation of authority by the chief executive.

PROMOTION GROUP-AGENCY RELATIONSHIPS

This part of the report describes procedures followed by agricultural product promotion groups in selecting agencies and in their working relationships once selection is made. Significantly contrasting viewpoints of the groups and agencies as to their relationships will be presented for the readers' evaluation and appraisal.

Most, but not all of the promotion groups, included in this study, used the services of an advertising and/or public relations agency. In those cases where an agency was not used, the principal reasons given were:

1. No paid media advertising was used,
2. Group was too small or because of small budget agency was not interested, and
3. Only local media was used and agency was not needed to coordinate this type program.

Except for the food firms, agency-client relationships were reasonably stable with most groups keeping the same agency for several years. Quite a few groups reported they have had the same agency for 13 years or more--the median tenure for producer groups being seven years and for marketing cooperative between seven and ten years. However, the median tenure for food firm-agency relationship was only three years.

The advertising agencies included in this study had a total of 110 different agricultural product accounts.

Agency Selection

Reports by all three promotion groups--producers, cooperatives and commercial food firms--indicated no set or established procedure for selecting an agency. Nearly half of the producer groups that employed advertising or public relations agencies indicated they had no established selection criteria or gave no answer on this point. Groups that attempted to describe criteria for agency selection most often relied on broadly descriptive measures such as general experience or competence of the agency and their product knowledge as primary considerations. Competing accounts, location, size of agency, relative importance of account to agency were other criteria mentioned by producer group.

Marketing cooperatives were also generally vague as to their selection criteria. Nearly half had no criteria for selection or were unable to state them. Other groups indicated that the most capable or compatible agency was chosen. One familiar with their product or one large enough to handle the account were other principal criteria.

Agency reputation and experience, demonstrated creativity, or personal acquaintance were the reasons most frequently given by commercial food firms as factors influencing agency selection.

Overall, there seemed to be a lack of any set procedure for evaluating prospective agencies to determine their relative experience, capability, or proven ability to handle similar accounts.

Although they changed agencies infrequently, producer groups tended to "shop around" more for an agency than did either marketing cooperatives or food firms. Producer groups that provided information indicated that they had considered from five to more than ten agencies when making a selection. Most cooperatives and food firms indicated that four or less agencies had been considered when a selection was being made.

As would be expected from the criteria for selection reported by the groups, only a small proportion of the groups had made extensive use of either speculative presentations or questionnaires as screening devices in the agency selection process. Producer groups reported greater use of these screening techniques than other groups.

Final authority for agency selection was most often held by the board of directors of producer groups and by general managers or other top management officials in cooperatives and food firms.

Agency response to inquiry as to methods and procedures used by them in obtaining the business of agricultural promotion clients generally confirmed the techniques and methods reported by the promotion groups. Agency executives indicated that their contacts with prospective clients was through direct solicitation or a request to be considered, a competitive presentation, personal contacts or acquaintances, recommendations of others, and client invitation. Agencies reported that their general familiarity with the product or field, reputation and experience were influential in obtaining agricultural clients.

Client-Agency Communication Procedure

There was a general agreement by both agencies and agricultural promotion clients that there were no major communication problems with respect to conceiving and implementing the overall promotion plan. Communication was normally informal and achieved by frequent meetings, supplemented from time to time by written or telephone communications.

For the most part, communications were handled by the individual or unit within the promotion group having working control over the promotion program. In some cases communications were through the board of directors or highest ranking officer in the group.

Although agencies expressed general satisfaction with communications with their clients, some problem areas of significance were raised.

Some agencies indicated that often more than one individual or unit in the client's organization was concerned with the promotion program, thereby increasing the burden of communication. There were some complaints as to the extra work and time involved by attendance and participation in the frequent meetings held by committees and board of directors of agricultural clients. This response tends to reflect a feeling

that the responsibility for handling advertising is often so ill-defined or diffuse that extra steps in communication are required. Agencies also pointed to a tendency of some officials of these promotion groups to be more concerned with the details or mechanics of the program than with formulating policy objectives and providing the necessary authority for implementation.

Copy themes and platforms were usually presented by the agency at a fairly early stage in their development and generally at informal meetings or conferences. The agency account executive or account supervisor was usually the chief contact between the agency and client and was in most instances the key figure in these presentations.

Approval within the promotion groups of copy themes or platforms was primarily the responsibility of those previously indicated as having responsibility for the working control of the program.

Media proposals were communicated to the promotion groups in much the same manner as copy themes or platforms and at about the same time.

Agency Procedures

Although 32 advertising agencies stated that some formal or informal procedures had been worked out for reporting progress of copy and media work with their agricultural clients, no consistent pattern was obvious. In a very few instances, agencies indicated that their clients did not want to be bothered or involved with the details of program development.

Nowhere in these media and copy checking procedures was there substantial evidence of an attempt to:

1. Evaluate promotion copy of media in terms of market targets and promotion goals,
2. Recognize the need for copy testing or for making the results available to clients for review, or
3. Prepare any formal statement as to what the copy and media are designed to accomplish.

Preparation of Advertising by Promotion Groups

Only a limited number of agricultural groups indicated a direct responsibility for the preparation of advertising. This might be expected in view of the large proportion of promotion groups in the study that retained advertising agencies. However, preparation of point-of-purchase material, ads for miscellaneous media such as catalogs, advertising for local media, and the editing or modification of copy submitted by the agency were frequently done by the promotion groups.

Other Services Obtained from Advertising Agencies

While media advertising services were by far the principal forms of assistance received from agencies, at least one-half of the promotion groups received other promotion services. In a majority of these cases, the extra services were paid for on a fee basis.

Preparation of recipe booklets and point-of-purchase materials and the handling of general publicity were the types of service most frequently mentioned. Others included such matters as conducting sales clinics, preparing annual reports, distributing promotion materials, designing packages, handling store promotions and preparing sales manuals. Promotion groups indicated that coordination of their various promotion activities was usually accomplished by the advertising agency if more than one type of service was involved.

Most producer-promotion groups indicated that they had sought or requested these special or other forms of promotion services. On the other hand, marketing cooperatives and food firms indicated, for the most part, that they had been sold on the need for these services by their agency.

From the agency's viewpoint it was found that all of the agencies interviewed were involved in providing additional merchandising and/or promotion services to their agricultural clients. According to the agencies, these additional services involved almost every conceivable type of promotion activity. While this list of services was more extensive than that reported by promotion groups, there was a general agreement on the services most emphasized.

Services Obtained from Other Agencies

Only a small proportion of the three types of promotion groups obtained specialized services other than those provided by their advertising agencies. Most of the groups indicated that their advertising agencies could provide all the services needed or that their own staffs could handle these extra or additional activities. As would be expected, a few groups indicated their budgets were too small to justify employment of additional agencies for these services.

Most of the producer-promotion groups that used the services of other specialized agencies concentrated on public relations agencies. Package design service was popular with cooperatives. A merchandising agency was retained by two of the commercial food firms. In most cases, these other agencies were employed on a continuing basis. Methods for coordinating the services provided by other agencies, with that provided by the advertising agencies or by its own staff, followed no set pattern. Coordination was usually attempted by the staff members of the promotion groups who had working control over the advertising program.

EVALUATION OF THE PROMOTION PROGRAM

Producer-promotion groups and marketing cooperatives were asked to evaluate the overall effectiveness and adequacy of their promotion program. More than two-thirds of the producer groups felt that some changes or improvements in their program was needed. About half of the cooperatives expressed a need for program improvement. However, in most instances there appeared to be little or no actual dissatisfaction with the make up and composition of the program in operation. Dissatisfaction was principally expressed in terms of what was not being done, with the need for expansion of both media and market coverage coming in for considerable mention.

Thus, in general the promotion groups viewed their current programs as being satisfactory within the limitations formed by their budget. Most groups felt that the principal way their program could be improved was to spend more money on promotion.

It is not the purpose of this study to provide a standard recipe for combining the ingredients of a successful promotion. There is, to date, no ready formula for devising an effective demand creation formula. The complexity of demand creation and the diverse nature of agricultural products precludes such standardization.

Findings of this study relating to the promotion methods and techniques followed by the respondent promotion groups showed wide variety in the types of promotion that was being used to influence demand for agricultural products. While these pronounced variations in promotion methods and practices are by no means illusory, it should be emphasized that the study dealt with variables that are susceptible to semantic imprecision. For example, such words as marketing, merchandising, advertising, and promotion have many different meanings to people and undoubtedly were used differently by respondents. This, of course, raises problems in interpreting and analyzing promotion expenditure information and of comparing and evaluating promotion practices and techniques. Also, it is recognized that the size and design of the sample of respondents restrict the precision with which the findings reflect the promotion practices of the population.

While no attempt was made in this study to evaluate the sales effectiveness of a group's total program or its components, it is hoped that the findings will be a source of ideas that will be considered and evaluated by promoters of agricultural products.

Of greater potential value than description of the forms or types of promotion being used is information relating to the procedures followed by the respondent groups in formulating, implementing, controlling, and evaluating their promotion efforts.

Findings in this area clearly indicate a need on the part of promotion groups for a better understanding of the complexity of the problem of demand creation and greater appreciation of the value of sound management procedures in developing and operating a promotion program. Evidence of this was the lack of well-defined marketing and promotion objectives, sometimes obscure delegation of responsibility, and failure to impose rigid checks and controls over the program. These apparent weaknesses were generally common to all three types of promotion groups studied.

For the most part, the statements of promotion objectives were couched in such general terms that they could not serve as a rationale for conceiving or implementing a program. Since others in the promotion group may have direct responsibility for planning the actual program and supervising its operation, policy makers should be sure that their goals are specific and detailed enough to provide guidance. These goals should be made known to everyone concerned with the promotion or marketing effort.

In some instances, promotion groups indicated that their agency had actually determined the group's promotion objectives. While agencies generally are in an excellent position to assist in objective formulation, the promotion group can not abdicate this responsibility without risking the loss of program control.

Many groups apparently viewed promotion and marketing as "distant relatives" with little evidence shown of effort to coordinate or integrate promotion with marketing. For some groups, such as producer-promotion groups, that have no direct control of marketing, relating promotion to the total marketing effort is extremely difficult and may appear to be an impossible assignment. Recognition of the relationship between promotion and other marketing strategies is imperative if progress is to be made in this area.

Insufficient funds for promotion was a complaint voiced by many of the promotion groups. Findings of the study suggest that promotion groups often reacted to this limitation by trying to cover all forms of promotion or spread their promotion over broad geographic areas rather than being selective of promotion form and coverage. This condition may be due in part to inadequate formulation of promotion objectives.

Organization and control of promotion was found to vary considerably among the promotion groups. This was expected as size and function of the groups varied. However, common to many groups was a degree of uncertainty and specificity within the organizational framework as to responsibility for certain promotion functions. In quite a few instances, this diffusion of responsibility was a result of responsibilities being shared by or delegated to more than one individual or organizational unit. There also appeared to be a tendency on the part of some groups to regard the determination and approval of promotion programs as completion of responsibility. Under such conditions, there is apt to be very little review of progress to learn if policy mandates are being carried out as prescribed.

Very few of the promotion groups indicated clearly defined criteria on procedures for the selection of an outside agency, when such assistance was used. Some type of orderly procedure whereby the significant capabilities of an agency are considered will improve the chances of the best agency being selected. Also, as a result of inadequate criteria, both agencies and promotion groups were often uncertain as to services expected and financial arrangements. Frequently agencies were confused as to whom they "report to" and it appears that in some organizations it was not clear as to who had this responsibility.

At the best, there was only moderate indication of an appreciation of the role that research could play in formulating objectives and evaluating promotion performance. Undoubtedly, the failure of some groups to engage directly in research was due to their limited budgets. But, it appears that most groups failed to recognize and take advantage of information available or to explore opportunities for joint research with allied or affiliated groups and with public agencies.

For many groups, promotion and advertising represents a relatively new field of endeavor. Since most groups do not have sufficient funds to employ an unlimited number of specialists or to finance unlimited promotion, success of promotion depends to a high degree upon choices or decisions that must be made. Adoption of sound management practices and procedures, while not guaranteeing success in promotion, will insure that factors that should be considered will not be overlooked.

SUGGESTED PROMOTION PROCEDURES

There is no common formula which if followed will guarantee the success of promotion. Creation of demand for any commodity or service is typically a complex and expensive process. Each commodity or service is likely to require a different promotion approach, both in nature and intensity. Many disciplines such as psychology, sociology, and economics may be useful in developing concepts and principles upon which to base a promotion program. Even a realistic appraisal of the effectiveness of promotion may be a difficult and complex task.

While a textbook formula for successful promotion does not exist, there appears to be certain procedures and determinations which, if followed, will aid agricultural groups in conducting more efficient programs.

The objectives of this section of the report is to suggest and describe procedures or management practices that can be used more effectively by agricultural groups in evaluating the promotion potential of their products, formulating promotion objectives, implementing and controlling promotion, and in evaluating accomplishments.

A. The Promotion Potential

Promotion should not be regarded as a "can't miss" panacea for declining consumption or oversupply. It is doubtful if promotion in and by itself can be effective if the product itself is not "right," if inadequate distribution prevails, or if the price is not right. Thus, agricultural groups considering promotion should ask and attempt to answer as realistically as possible the question, "What can promotion do?"

Admittedly, this is a difficult question and one that can not be answered with absolute certainty. However, in attempting to evaluate the promotion potential, the following factors, among others, should be considered.

1. The demand for the product. All information possible should be obtained and evaluated on the nature of demand and demand trends for the products to be promoted. This includes such things as trends in consumption of your products and competitive products, seasonality of demand, characteristics of consumers, and geographic nature of demand.

2. The nature of competition. Determine what products are competitive with yours. Take into consideration the current promotion effort behind competitive products and the possible reaction of competitors to your promotion.

3. Examine possibilities for product differentiation. Opportunity to differentiate your product enhances the potential of promotion. Differentiation may be accomplished through quality control, labeling, processing, packaging, etc. Unless some form of differentiation is possible, your promotion may help your competitors' products as much as your own.

4. Know consumer attitudes and opinions about your products. This information will not only serve as a basis for providing consumers with what they want, but also will serve as a basis for determining if consumer motives for purchasing lend themselves to promotion exploitation.

5. View promotion as component in the marketing mix. Promotion should be viewed as only one of the components in the marketing mix. The return expected from promotion should be comparable with that from the same investment in other components in the marketing mix.

6. Determine availability of promotion funds. In the final analysis, the question, "What can promotion do," can be answered only in view of the funds available for investment. While most groups will agree that promotion funds are never adequate, a determination must be made as to whether available resources can finance a program that will have a positive and beneficial effect on demand. A complete examination of the products to be promoted will suggest the level of promotion effort that will be effective.

7. Use research results. In many instances, a great deal of information is available in the form of research findings which can be used in appraising the promotion

potential. Market and demand analyses, consumer attitudes and opinions, and distribution studies, and many other types of information are available from both private and public sources. However, if such information does not prove adequate, consideration should be given to financially supporting research that will at least provide basic information for decision making purposes.

B. Promotion Objectives

If it is determined that a favorable promotion potential exists, the next logical step is to formulate the promotion goals. These goals, of course, will be directly influenced by the previous examination of the promotion potential of your products. The task of determining or establishing objectives as envisioned here is more involved than to simply determine that your objective is to increase sales or demand.

1. Objectives should be specific. Objectives should be specific in terms of:

- (a) Consumer preferences or needs to be satisfied,
- (b) Market segments to be served,
- (c) Geographical coverage, and
- (d) Customer classification.

2. Objectives should be formalized and recorded. Objectives should be prepared so that everyone connected with the promotion program will be aware of its goals. Complete and detailed objectives will serve as a basis for drafting an operating program and for seriously appraising it.

3. Objectives should reflect financial resources. Objectives should not be out of reach of funds available for financing promotion. In setting specific objectives, recognition must be made of funds available for promotion and promotion costs must be equalled with resources.

C. Agency Assistance

Many factors should be considered including the need for the assistance of an agency or agencies in carrying out the promotional objectives. Probably the basic consideration is the availability of specialized personnel within the promotion group qualified to develop and implement a program to meet the promotion objectives. Involved in this consideration is both the need for and availability of specialists, the value of the outside point of view, and the economics of specialization.

1. Criteria for agency selection. Matching skills required with the job to be performed should be the basic criterion for agency selection. Experience and agency capability are other prime criteria. Other consideration involved is the geographic proximity of the agency to the promotion group's headquarters, services the agency can perform, stability of the agency and agency policies regarding service and costs.

2. Agency selection procedures. Criteria for agency selection should be developed through some type of formalized procedures. This can be done through properly constructed questionnaires and through presentations by agencies. Also, inquiries should be made of current or past agency clients, particularly their agricultural clients. The main consideration is that agency selection be based on some logical predetermined procedure that will assure evaluation of all pertinent qualifying factors.

D. The Promotion Program

If an agency is employed, it will be its responsibility to plan and present to the promotion group a program that meets their stated objectives. Thus, the promotion objectives will determine the broad nature of the program, that is, whether it is consumer oriented, trade oriented or a combination of the both. A group's promotion objectives will also exert strong influence on the specific forms of promotion incorporated in the program. This will involve deciding between or the combination of media and non-media advertising, merchandising activities, and public relations effort. Whether the program is developed by the promotion group or by an agency, certain steps should be observed.

1. Determining the promotion message.--This involves deciding on and preparing copy or the message which promotion will deliver. This includes determining what to say to whom. Product characteristics that are likely to have consumer appeal such as health values, versatility of use or similar attributes are examples of messages that may be used.

2. Selection of carriers for the promotion message.--Selection of a carrier or carriers for the promotion message is dependent on the audience or marketing segment to be reached. The message can be carried through advertising, merchandising and educational activity.

3. Advertising.--In promotion through advertising, there are two major areas to consider, namely, media and non-media.

(a) Media.--Media selection can be made only after identification of audiences to be reached and determining the media that reaches these targets. Alternative media, where available, should be appraised on their relative suitability. Both qualitative and cost considerations must be weighed in selecting a medium or media that best accomplishes the mission.

(b) Non-media.--The same basic considerations involved in media selection are also involved in non-media selection. However, lack of readily available information on cost and coverage of alternative forms of non-media advertising probably makes it more difficult to evaluate in advance than media forms.

4. Merchandising.--Promotion through merchandising may take many forms. Some of these are distribution of in-store promotion materials and dealer services activity.

While criteria for advance evaluation of merchandising activities may be difficult to establish, alternatives should be evaluated through all means available. Groups having experience in this area are possible sources of information. Merchandising should be coordinated with other promotion activities and not considered an independent program.

(a) In-store promotion material.--These materials are for use in retail outlets and must be suitable to the trade as well as effective sales aids. Production of in-store promotion material is generally expensive. Consequently, control should be imposed to reduce waste and insure maximum use. Available distribution methods should be compared as to effectiveness in placing material.

(b) Dealer-servicemen.--The duties of dealer servicemen as they relate to the total promotion program should be spelled out. Geographic areas and market segments

to be covered should be specific. Field representatives should be up to date on the products promoted and informed on current merchandising practices and techniques. Dealer servicemen should not only be used as promotion agents but should be used as a continuing source of information on sales trends, competitive products, other promotions, and trade reaction and attitudes. Joint arrangements with other promotion groups should be investigated by groups that because of their budgets or seasonality of the products promoted cannot independently maintain a field force on a year-round basis.

5. Educational activity and editorial publicity.--While these types of promotion do not lend themselves to a specific brand promotion, they do offer many opportunities for general product or commodity promotion. Promotion groups should not overlook opportunities to present product use and characteristic information to consumer groups, school groups, etc. Suitably prepared information, if timely, will be used by magazines, newspapers, radio, and television in their consumer oriented public service programs.

6. The promotion schedule.--The various forms of promotion should be scheduled to compliment each other and to best fit the marketing and distribution of the product promoted. To the extent possible, promotion should be schedules in advance so as to permit and encourage the trade to tie in with their own promotion effort. Dealer service men particularly may find an advance schedule on advertising useful in obtaining better merchandising cooperation from wholesalers and retailers, and in planning their activities. However, the scheduling of promotion should be flexible enough to be responsive to needs that cannot be anticipated in advance.

E. Control and Supervision

No set pattern of organization can be suggested that will assure the most efficient management of promotion activity. However, sound management practices that make full use of the abilities possessed by staff members will provide the most favorable environment for success.

1. Responsibility for promotion.--Responsibility for all activity relating to promotion whether it be formulation of objectives, selecting an agency, program planning and review, working control or appraisal of promotion effectiveness should be specifically stated. Individual or unit responsibility for each phase should be clear. Responsibility for coordination, both of the various forms of promotion and with marketing functions, should be specifically provided for.

2. Agency relations.--Communication procedures with the agency or agencies should be stipulated with respect to point of contact both within the promotion group and agency.

3. Services provided.--To the extent possible services to be provided by both the agency and promotion group and the timing of these services should be specified. Scheduling and specification of services to be provided will reduce misunderstandings and eliminate delay in promotion implementation.

F. Appraisal of Promotion

A promotion group should engage in continuing appraisal and comparison of its specific promotion activities. Periodically, general or more complete appraisals

should be made of the total program. Some of the procedures that may be used for continuing appraisal are:

- (1) Copy testing
- (2) Media and non-media evaluation
- (3) Dealer service reports
- (4) Trade contacts
- (5) Examination of sales trends or fluctuations

Periodically, a more complete appraisal should be made of the appropriateness of the promotion objectives and the overall effectiveness of the promotion program. This appraisal should examine performance in meeting the detailed objectives of the promotion program. This may involve:

1. Examining consumption data in total, by market segments, geographic areas, and type of consumer.--Where a promotion group also performs the marketing function, their own sales information at least provides some basis for evaluation.

2. Determining consumer and trade attitudes.--Attitude studies, both in respect to the promotion effort and products promoted, provides a measure of approval of the promotion program and changes that may occur in product acceptance.

3. Use of research.--Implied in all phases of promotion appraisal is the use of research. Appraisal of promotion should be systematic in that a determination is made of the need for information, and sound procedures are used in analyzing this information. Where sufficient basic information is not available for an appraisal of promotion, the promotion groups should consider the feasibility of conducting research.

APPENDIX

SURVEY METHODOLOGY AND CHARACTERISTICS OF SAMPLE GROUPS

As the study involved a limited number of agriculturally-oriented promotion groups and advertising agencies with agricultural product accounts, the research methodology can best be described as the case method approach. Emphasis was placed on obtaining a complete description of each respondent's promotion activities and an understanding of the various ways in which the ingredients of these programs are related. The case method approach allows examination of many individual problems and aspects of promotion as well as their relationship to each other.

Sample Design

Four separate samples of respondents were used--one comprising 35 producer-promotion groups, one comprising 19 marketing cooperatives, one comprising 16 commercial food firms (processor and distributors), and one comprising 35 advertising agencies.

Respondents in all groups were selected so as to provide at least minimum representation in each of the four major census regions. However, as matter of interviewing efficiency, sampling was considerably heavier in the west and north central regions, table 2. Respondent promotion groups were selected from varying expenditure ranges (table 3) and to represent major classes of agricultural products (table 4). All respondent advertising agencies had one or more agricultural product clients.

Table 2.--Distribution of respondents by geographic location

Census region	Producer-promotion groups		Marketing cooperatives		Commercial food firms		Advertising agencies <u>l/</u>		Total
	Number	Number	Number	Number	Number	Number	Number		
West.....	20	14	7	17	58				
North Central.....	9	2	8	11	30				
South.....	2	1	1	2	6				
Northeast.....	4	2	---	5	11				
Total.....	35	19	16	35	105				

l/ Location of agency offices contacted. In three cases the offices were branches of an agency whose main office was located elsewhere.

Table 3.--Distribution of respondent promotion groups, by annual volume of promotion expenditures

Expenditure	Producer-promotion groups		Marketing cooperatives		Commercial food firms		Total
	Number	Number	Number	Number	Number	Number	
\$10,000-\$49,999.....	4	2	3	8			
\$50,000-\$99,999.....	6	3	1	11			
\$100,000-\$499,999.....	19	7	7	32			
\$500,000 and over.....	4	3	5	13			
Not available or not applicable.....	2	4	---	6			
Total.....	35	19	16	70			

Characteristics of Respondent Groups

Brief descriptions of the characteristics of the respondent groups are given to provide a better understanding of the findings and provide a background for evaluating the contents of this report.

Producer-promotion groups.--Producer-promotion groups typically have large memberships. Of the 35 groups included in this study, 23 reported membership of 1,000 or more. Nine groups had less than 1,000 members but the same number had 12,000 or more members. About half of the groups drew their memberships from one state. Four reported their membership was national while the membership of the remaining groups was regional in nature. The annual dollar volume of products marketed by members of the respondent promotion groups ranged from under a million to nearly 17 billion dollars. In turn, the promotion group's members accounted for from 25 to 100 percent of the production of the promoted products in the area covered. Twenty-five groups indicated membership control of 75 to 100 percent of output.

Most of the respondent groups had been engaged in promotion activities for a number of years and were recognized as leaders in this endeavor.

Total annual expenditures for promotion of the individual groups ranged from under \$20,000 to over 2 million dollars. Estimates of total expenditures for promotion and more detailed breaks for media promotion, production costs and other promotion, and research are shown in table 5.

Marketing cooperatives.--Estimates of membership in terms of number of producers was complicated by the federated type organization of a number of the respondent cooperatives. This type of organization reported membership in terms of district or local cooperatives that ranged from less than 10 to as many as 100. Cooperatives reporting individual producer-grower membership ranged from over 200 to between 25,000 to 45,000 members. One respondent--a federated type--reported a producer-grower membership of over 1 million.

With one exception, the membership of respondent cooperatives were confined to a state or region. The dollar volume of products marketed ranged from \$2 million to over \$80 million. About two-thirds of the cooperatives had sales of less than \$50 million. For those reporting, the percentage of total production accounted for by their membership ranged from less than 10 percent to a high of around 75 percent. Ten cooperatives did not report.

All the marketing cooperatives interviewed had a relatively long experience in promotion. All had over 5 years experience and seven had over 30 years.

Four of the respondent cooperatives did not report total expenditures for promotion. Expenditure of all others ranged from less than \$100,000 to over \$2 million annually. Ten reported expenditures of \$200,000 or more. Expenditures for media advertising, other forms of promotion and research are shown in table 6.

Commercial food processors.--Only limited descriptive information was requested of the respondent commercial food firms. Twelve of the 16 commercial food firms had product sales of between 20 and 50 million dollars. Only two firms reported sales of more than \$50 million. Expenditure for promotion ranged from a low of under \$20,000 to a high of over \$2 million. The respondent food firms were fairly evenly distributed among promotion expenditure ranges under \$1 million (table 7).

Table 4.--Agricultural product classes promoted by respondents

Product class	Respondents promoting		
	Producer-promotion groups	Marketing cooperatives	Commercial food firms
	Number	Number	Number
Fresh, canned, and processed fruit and fruit products....	14	9	8
Meat and poultry.....	5	2	3
Dairy products.....	12	8	4
Vegetables and field crop.....	3	6	8
Miscellaneous.....	1	1	2
Total.....	35	1/26	1/25

1/ Number promoting adds up to more than the number of respondents surveyed as some promoted products in more than one product class.

Table 5.--Annual expenditures of respondent producer-promotion groups by type of activity

Range of expenditures	Respondents reporting expenditures in range indicated for:			
	Media advertising	Other promotion 1/	Research	Total program 2/
	Number	Number	Number	Number
Less than \$10,000.....	---	---	3	---
\$10,000 to \$49,999.....	6	7	---	4
\$50,000 to \$99,999.....	8	9	1	6
\$100,000 to \$199,999.....	4	6	---	11
\$200,000 to \$499,999.....	3	5	---	8
\$500,000 to \$999,999.....	---	2	1	1
\$1 million and over.....	2	---	---	3
Not reported, none or didn't know.....	12	6	30	2
Total.....	35	35	35	35

1/ Includes non-media expenditures and production costs.

2/ Includes amounts not shown in detail breakdown in some instances.

Table 6.--Annual expenditures by respondent marketing cooperatives by type of activity

Range of expenditures	Respondents reporting expenditures in range indicated for:			
	Media advertising	Other promotion <u>1/</u>	Research	Total program <u>2/</u>
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Less than \$10,000.....	---	2	1	---
\$10,000 to \$49,999.....	3	2	---	2
\$50,000 to \$99,999.....	4	2	---	3
\$100,000 to \$199,999.....	2	2	1	---
\$200,000 to \$499,999.....	4	4	---	7
\$500,000 to \$999,999.....	---	---	---	1
\$1 million and over.....	1	1	---	2
Not reported, none or didn't know.....	5	6	17	4
Total.....	19	19	19	19

1/ Includes non-media expenditures and production costs.

2/ Includes amounts not shown in more detail breakdown in some instances.

Table 7.--Annual expenditures by respondent commercial food firms by type of activity

Range of expenditures	Respondents reporting expenditures in range indicated for:			
	Media advertising	Other promotion <u>1/</u>	Research	Total program <u>2/</u>
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Less than \$10,000.....	3	2	---	---
\$10,000 to \$49,999.....	2	5	2	3
\$50,000 to \$99,999.....	5	1	---	1
\$100,000 to \$199,999.....	1	4	---	4
\$200,000 to \$499,999.....	2	3	---	3
\$500,000 to \$999,999.....	2	1	---	3
\$1 million and over.....	1	---	---	2
Not reported, none or didn't know.....	---	---	14	---
Total.....	16	16	16	16

1/ Includes non-media expenditures and production costs.

2/ Includes amounts not shown in detail breakdown in some instances.

Advertising agencies.--All of the agencies included in the study served one or more clients that promoted agricultural products. A total of 110 different agricultural product accounts were serviced by the agencies reporting in this study. The agencies indicated that 48 of their accounts were with producer-promotion groups, 15 with marketing cooperatives and 47 with commercial food firms. While supporting data provided by the agencies indicated that some producer-group accounts were mistakenly classified and actually were commercial food firms, 16 of the producer-promotion groups, 8 of the marketing cooperatives and 4 of the commercial food firms covered in the study were, at the time of the study, clients of 20 of the advertising agencies interviewed. The respondent agencies had accounts covering a wide range of agricultural products; 35 covered fresh, canned or processed fruit or fruit products, 21 meat and poultry, 14 dairy products, 22 vegetables and field crop food products and 18 various miscellaneous products including some non-food products.

While the respondent advertising agencies represented a fairly wide range in total billings, as a group they would be classified as medium to small. Six of the agencies billed less than 1 million annually while seven reported billing in excess of \$100 million.

