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CONSUMER PACKAGED GOODS TRADE ADVERTISING DURING THE DECEMBER 2007–JUNE 2009 RECESSION

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by

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The purpose of this study was to use a content analysis to compare retail trade advertisements made by top U.S. consumer packaged goods (CPG) manufacturers during the December 2007–June 2009 recession. This study extended Lord's (1987) research that focused on consumer advertising to understand retail trade advertisements. This study analyzed 195 advertisements of U.S. CPG manufacturers in a nationally distributed U.S. retail trade print publication, *Supermarket News.* The results could indicate that retail trade print advertisements may help to enhance CPG manufacturers' reputations among their trading partners. Specifically, findings from this research may indicate that because General Mills and Unilever had frequent ads that addressed the key long-term performance measures and industry issues, each company was able to move up in the Cannondale PoweRankings in 2010.

Keywords: Consumer Packaged Goods, Trade/B2B Advertising, CPG, Recession

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DEDICATION

I dedicate this thesis to my loving husband, Joe, whose love, support, understanding and patience helped me complete this graduate program. He did more than his share around the house and cared for our boys while I focused on my graduate school and full-time career.

To my sons, who were unselfish and understood when I couldn't attend a special event with them so that I could take the time to focus on my schoolwork. I hope that through this they have learned the importance of working hard and achieving a higher education.

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Chapter 1: Introduction

To be successful, advertisers must see a positive return on their advertising investment by connecting with their audience in a way that makes them aware of or drives them to purchase the product. But in a down economy, companies can see a decrease in sales since many of these companies have to make a hard decision to decrease or cut their advertising budget. Therefore, the question remains, in what ways are advertisers repositioning their product to reconnect with a "value-conscious" shopper? A value-conscious shopper is one who "uses a 'value mindset' with an increased preference to shop at stores that have everyday low prices (EDLP) and exhibit a tendency to be uncharacteristically frugal" (Nielsen Company, 2011, p. 5).

Consumer Packaged Goods (CPG) manufacturers (such as Proctor & Gamble, General Mills, and Pepsi) have strong consumer marketing and advertising programs to ensure they reach consumers at home, online, and in the store. These tactics not only encourage consumers to make in-store purchases, but also entice them to buy more in the future. In addition to their purchasing customers, CPG manufacturers also need to reach their retailer partners (e.g., Walmart, Kroger, Target, etc.). With retailers feeling the impacts of an evolving consumer, they need to know they have strategic CPG partners that can help them grow product categories and profitability.

Sending the right messages to the right audience is a challenge that all CPG manufacturers need to address. People often assume that CPG companies are the least likely to be affected by a down economy since the demand for food, health, beauty, and household products is seemingly consistent. However, CPG manufacturers face inflationary commodity costs that affect their operational margins, such as the cost of ingredients, fuel, and packaging. So, at a time when shoppers are tightening their finances and retailers are looking to offer deals to their customers, CPG manufacturers need to find ways to remain profitable yet responsive to both retailer and shopper needs.

CPG manufacturers, along with their retailer partners, need to adjust to the changing mindset of shoppers who are trying to stretch their dollars. Shoppers will either "pantry load", by shopping less frequently and stocking up on staple products for multiple meals, or they will increase their "quick trips", by only buying the bare necessities but in more frequent trips, spending less each trip. These shopper trends affect food categories. For example, the shelf-stable brands common in a pantry-loading shopping trip may not see as much volume in sales as the brands/products purchased during a quick trip. Having the right shopper marketing programs in place is important during these times in order to interrupt the shopper's quick trip shopping list and encourage more impulse buys.

When people think of CPG marketing and advertising, they likely only think about what is being done by CPG manufacturers with their integrated consumer marketing programs using television, radio, print, free standing inserts (FSI coupons), in-store advertising, online, and social media. However, the first hurdle for a CPG manufacturer is to get new products accepted by their retail partners and strategically and quickly placed on the shelves so consumers can purchase the items.

Likely, the biggest influencer for products on the shelf is the one-on-one presentation done by the CPG manufacturer's sales representative for the retailer's buyer. At this sales call, the sales representative will review a particular category's performance and then help explain how their brands can help grow the category.

To supplement these discussions and further communicate the company's strategy, a CPG manufacturer may advertise these messages in what is known as trade publications or business-to-business (B2B) publications.

CPG manufacturers need to show how their brands help retailers win consumers. In the midst of a recession, how are CPG manufacturers changing their messaging to retailers to show how they are building categories, innovating with new products, and providing value-driven solutions to the customer and consumer?

The purpose of this study was to understand how CPG manufacturers advertised in retail trade print publications during a recession. A content analysis was performed using B2B retailer and CPG trade advertisements during the recent December 2007–June 2009 recession. The study analyzed the advertisements of the top 10 U.S. CPG manufacturers in a well-known retailer trade publication, *Supermarket News*, which is distributed nationally. The content analysis looked for trends in the messages that food manufacturers used in their advertising during tough economic times.

Chapter 2: Literature Review

The December 2007–June 2009 recession, sometimes referred to as the "Great Recession" was one of the worst recessions the United States has faced since The Great Depression of 1929, as indicated by the National Bureau of Economic Research, the arbiter of U.S. business cycles (Willis, 2009). The recession began with the collapse of the housing market, followed by a collapse of major banks and automakers. These events caused the amount of credit available to plummet, and made it almost impossible for anyone to get a loan in the United States, Europe and the rest of the world. With a falling stock market, rising food and energy prices and significantly upward marching unemployment levels, consumer confidence also took a plunge ("History," 2010).

Although the recession officially ended in June 2009, many predicted the recovery would be slow or move to a double-dip recession. The 2007–2009 recession was not only the longest post-World War II recession, but also the deepest, in terms of both job losses and the decline in the goods and services produced by the United States (Rampbell, 2010).

Shopper Behavior During a Recession

The recession changed how consumers shop, and CPG manufacturers needed to adjust their strategies to keep their products on shoppers' lists. CPG manufacturers were particularly concerned since "conservatism ha[d] become the new shopper mantra, and will have a lasting impact on CPG behaviors" (Symphony IRI Group, 2010, p 2). Consumers needed to make substantial changes to their daily lives in order to survive this tough economy. They were less interested in spending money on big-ticket luxury items and considered their needs versus wants more than ever. Consumers began to focus their lives on their homes and the basics and increased their "'at-home' and 'from-home' eating occasions" (Symphony IRI Group, 2010, p. 2). Furthermore, consumers were looking for "value" by clipping coupons—a re-energized trend that is likely to persist in the foreseeable future (Symphony IRI Group, 2010).

Food Price Increases

Given these shifting consumer behavior circumstances, CPG marketers needed to quickly adapt but also keep their products at competitive prices. More than 40 of the top 100 CPG categories experienced significant price increases in 2009, and the trend continued into 2011. While these increases were driven by a variety of market factors such as energy and food input costs, most consumers still defined value on price first. Therefore, CPG retail companies faced the challenge of making the increases stick in the marketplace to ensure consumers still saw a value in what they were purchasing (Symphony IRI Group, 2010).

Symphony IRI Group (2010) reported that consumers will continue to tighten their belts if food prices continue to inflate, as they have a dire need for value and affordability. In order to save money, consumers are finding ways to be more value-savvy by making more meals at home from scratch with fewer convenience items. Consumers are also cutting back on health and beauty services, for example, finding they can self-administer services such as hair color for "90 percent of the quality for 20 percent of the cost" (Symphony IRI Group, 2010, p. 5). Consumers are now viewing affordability through a new lens and remain steadfast in seeking savings.

Food Advertising

There is limited research on the impact a recession has on food advertising claims and general advertising practices in B2B food retail trade advertising. Many researchers have attempted to understand advertising practices, but these are either dated (i.e., Lord et al. 1987), or they analyzed very few claims (i.e., Parker, 2003).

With the shifting mindset of the consumer during a recession, food advertisers needed to be mindful of the categories they represented and how retailers and shoppers were reacting to the economic downturn. They needed to address the concerns of pricing and shopper behaviors, and they needed to change their strategies to ensure their leadership and innovation could bring back the brands that added value.

For this reason, food company marketers needed to look at shifting their ad spending from the more luxurious items to pantry staples, such as Hamburger Helper, Kool-Aid drink mix, and butter (Elliot, 2009). Advertising educates and informs the public about products, services, institutions, and ideas to affect changes in beliefs, attitudes, or behaviors among individuals (Moriarity, Mitchell, & Wells, 2012).

With the economic slowdown in developed markets during the recession, value-conscious shoppers became more visible across store aisles than ever before. These are the shoppers that retain their value mindset with an increased preference to shop at stores that have everyday low prices (EDLP) and tend to be more frugal (Nielsen Company, 2010).

"In this 'Great Recession' economy, companies are not simply changing the messages they place in their ads. They are doing something much more substantial", said Marc Fleishhacker, senior partner and managing director of Ogilvy Consulting's North

America practice (Batallas, 2009, para. 6). He continued, “They are fundamentally changing the products they promote” (Batallas, 2009, para. 6). To cash in on the new mindset of the “recession-wary consumer” and prevent consumers from moving to cheaper store brand alternatives, advertisers started going back to the basics and “traditionally ho-hum household goods” (Batallas, 2009, para. 2).

Advertisers needed to be aware of the shoppers’ willingness to settle for value-oriented products, as “it doesn’t have to be the best; it just has to be the best for the value of the money”, said John Greening, a 28-year advertising industry veteran and now an associate professor at Northwestern University’s Medill School of Journalism (Batallas, 2009, para. 19). He went on to say:

> In the last big recession, in the early 1980s, consumer-product companies simply shrunk their ad budgets. But they can’t afford to do that this time, as shoppers are shifting to lower-priced store brands, spending more at discounters, scraping the last dollop of face cream and buying more cheap canned goods and pasta (Batallas, 2009, para. 16).

At the same time, Elliott (2009) reported for *The New York Times* that CPG marketers were seeking to capitalize on the fact that consumers were dining out less and were looking for valuable packaged food options. He went on to describe that shoppers were eager to save money by trading down to cheaper private labels rather than purchase full-price, brand-name products. If advertisers didn’t want to lose market share, they needed to understand how they could make a “value proposition” with their products (para. 5).

For example, French's®, a higher-priced yellow mustard, conducted consumer research in which consumers stated, "I want to see value" (Elliot, 2009, para. 10). "I want you to demonstrate value", said Elliott Penner, president at the French's food division. So the company decided to demonstrate value to their consumers by making a larger-size 20-ounce bottle lower priced than a 14-ounce bottle. At the same time, they reminded consumers through subtle advertising that "even in times like this you don't want to be cutting your little perks like name-brand mustard" (Elliot, 2009, para. 7).

Food marketers and retailers needed to redefine "value" to the shopper as a product that can bring an "added value", such as products that contain whole grains, more ounces, and better nutrition. While consumers may be looking for affordable meals, they won't sacrifice spending money on products their families won't like. Therefore, they are more apt to stay with the brands they trust and know their families will like. And if these brands have an "added value" with better nutrition, taste, or convenience, that's even better (Symphony IRI Group, 2010).

Food Advertising

Claims and content. Food manufacturers make several advertising claims for their products depending on how they want to address consumer needs or trends. While there have been a few studies looking at food advertising content and claims for consumer-focused advertising, no previous research looks at food trade advertising. Additionally, none of the previous research closely examines food advertising during a recession.

Retail trade versus consumer advertising. Trade advertising is used to persuade wholesalers and retailers to stock the advertiser's product on their shelves and is mainly geared toward wholesalers, retailers, and brokers. This advertising is typically in print and online. Consumer advertising is mass communication aimed at large numbers of potential purchasers in an effort to pre-sell an advertiser's product and create demand from targeted consumers. This advertising is typically done through print, radio, television, online, and social media.

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Consumer food advertising research. Lord, J., Eastlack, J., and Stanton, J. (1987) examined food advertisements that were published in 21 general consumer magazines. The results indicated that claims for product taste were the most prevalent in those food advertisements (55.2% of the total), and nutrition and health-related claims combined accounted for 10.4%. In a follow-up study in 1988, Lord et al. found that food manufacturers continued to be reluctant to use health and nutrition claims in their consumer advertising.

However, when Klassen, Wauer, and Cassel (1991) analyzed three women's magazines published between 1960 and 1987, they found taste claims were steadily decreasing as the health and nutrition claims were increasing. For this study, general health claims had increased from 27.3% to 53.2% in 1990. Basic product claims of taste, convenience, and quality appeared in one way or another in all food advertisements during this time. Ippolito and Pappalardo (2003) looked at samples of eight leading magazines between 1977 and 1997 and found that claims appeared to be associated with changes in various regulatory rules.

Because all of these research studies were done using different sampling, time frames, and coding schemes, direct comparisons among them are not possible. In an effort to examine how different food advertising claims were used, Kim, Cheong and Zheng (2009) performed a content analysis and a quasi-experiment designed to determine the effectiveness of different advertising claims across two food categories (hedonic vs. functional).

Kim et al. (2009) stated:

> Consistent with the marketing literature, food products are categorized into hedonic or functional products, depending on whether the primary motivation for consumption is to gain immediate sensory pleasure such as a great taste and feelings, or to have functional solutions to a current consumption-related problem such as serving a healthy and convenient meal (p. 532).

They found that taste and specific nutrition claims are the two dominating types of advertising claims.

Kim et al. (2009) continue, “Historically, food marketers have relied on presenting basic product information in advertisements, informing consumers of a product’s great taste, convenience of consumption, discount opportunities, quality and other promotional information” (p. 533). When a food advertiser makes a statement in an advertisement about the benefits of a product, it is generally referred to as an “advertising claim” (Moriarity et al., 2012). To express the various benefits of foods, food advertisers have used different advertising claims that appeal to great taste and flavors, convenience, and value.

Retailer and Manufacturer Partnerships

Trade advertising should be supplemental to any retailer and manufacturer partnership. It can't be done without merit. A CPG company needs to have actions and solutions that support their advertising claims; if not, the CPG company's credibility is at stake.

Cannondale Associates 2009 PoweRanking report. Cannondale Associates, now Kantar Retail, is a leading marketing and management consulting firm that focuses on business growth by helping manufacturers grow their brands and strengthen their brand equity. In 2009, Cannondale Associates continued to research critical areas that would help build the relationship between manufacturers and retailers including: consumer marketing, best practice benchmarking, trade promotion strategy and analysis, retail optimization models, and shopper marketing (Cannondale, 2009).

The PoweRanking survey, which is still done today, was first conducted by Cannondale Associates in 1997. The main objective of the study is to have manufacturers and retailers rate each other on how they are doing in the critical relationship-building criteria. Specifically, the research helps:

- identify the best manufacturers and retailers (as evaluated by their trading partners);
- provide insight into what makes "the best" manufacturers and retailers;
- define the importance of key metrics between trading partners; and
- highlight areas for improvement (Cannondale, 2009, p. 5).

In 2009, an additional dimension was provided in the PoweRanking survey that looked at performance over the previous 10 years. This helped provide perspectives on retailers and manufacturers' success factors over time and included two recessionary timeframes.

The Cannondale Associates PoweRanking study consists of customized questionnaires that are developed for retailer and wholesaler respondents in the food, drug, mass merchandiser, dollar, convenience, and club channels. Respondents from manufacturers that produce food, general merchandise, and health and beauty care are also surveyed to rank their retail partners. The questionnaires for this study have been distributed each spring since 1997 to personnel at all levels of management with the assurance of total confidentiality of respondents. Each report compiles two years' worth of survey responses; therefore, the 2009 study reflects responses from 2008 and 2009 (Cannondale, 2009).

More than 300 manufacturers and retailer respondents participated in the 2009 study. They were asked to rank manufacturers based on criteria that fell into two broad areas: strategic and business fundamentals (Cannondale, 2009).

The strategic rankings provide insight into the retailers' views of manufacturers that provide leadership for the industry, beyond the everyday interaction, such as the following: clearest company strategy, most important consumer brands to retailers, and best combination of growth and profitability (Cannondale, 2009).

The business fundamentals rankings isolate specific areas of interaction that occur between manufacturers and retailers, such as best customer/sales teams, most innovative marketing programs, most helpful consumer/shopper insights, category management, best supply chain management, and best shopper marketing programs (Cannondale, 2009).

Cannondale Associates provides a composite ranking that shows the overall performance of manufacturers by taking the three strategic and the five business fundamental rankings. The overall composite provides extra weighting to the strategic questions (Cannondale, 2009).

Cannondale conducted additional analysis in 2009 to identify the manufacturers and retailers that consistently performed well over the long term in the PoweRanking study and to better understand why their performances were consistently ranked high. Since 1998, six manufacturers were ranked among the top 10 on the PoweRanking composite: Proctor & Gamble, Kraft Foods, PepsiCo., General Mills, Nestlé, and Unilever. Cannondale's research found that regardless of the environment, the manufacturers that performed well exhibited strong performance in four of the PoweRanking metrics in strategic and business fundamentals (Cannondale, 2009).

They revealed that the four highest ranked measurements that were consistent among the six high-performing manufacturers were related to a clear company strategy, consumer brands, insights and category management, and supply chain management.

Successful long-term performance from manufacturers begins with a clear company strategy; this is when manufacturers present a simple and economized message to retailers. The next essential element of a manufacturer's go-to-market strategy is having important consumer brands. However, these brands are only important if the manufacturer can take those brands and make them profitable to retailers by providing helpful consumer information and category management to grow the category and be profitable. Lastly, having an efficient supply chain management is critical, quite simply because having the products available to sell is necessary (Cannondale, 2009).

Results of 2009 Cannondale Associates PoweRanking survey. The 2009 PoweRanking composite rankings, which show the ranking from 2008–2009, placed the following manufacturers in the top 10 performers for the majority of the 2007–2009 recession timeframe (Cannondale, 2009):

1. Proctor & Gamble
2. Kraft
3. PepsiCo.
4. General Mills
5. Nestlé
6. Unilever
7. Coca-Cola
8. Kellogg’s
9. ConAgra Foods
10. Kimberly-Clark

Cannondale recession study. Cannondale further analyzed the top six best-performing manufacturers to see composite trends since 1998. One of the most interesting observations was that the overall performance continued to increase in spite of two recessions.

Cannondale believes that this confirms that retailers and manufacturers are more collaborative during a recession and have a greater need for cooperation because they have new consumer and shopper needs to solve for. Specifically, for the 2007-2009 recession, retailers did not want to address consumer and shopper issues alone; they saw more substantial dividends while working with CPG manufacturers and indicated that they relied on top manufacturers to help them through the uncertain times (Cannondale, 2009).

With constant change during the recession, Cannondale uncovered a partial list of issues that industry leaders were attempting to master during the recessionary time period. This list included, but was not limited to, the following:

Consumer areas:

- Health & Wellness
- Meal Solutions
- Private Label
- Multi-cultural Marketing
- Aging Population
- Mom
- Convenience

Merchandising Areas:

- Assortment
- Pricing
- Shopper Marketing
- Segmentation
- Everyday Low Price
- Clean Floor
- Quick Meal Solutions

This list of issues is beneficial for manufacturers and retailers to be aware of as they try to understand how they can collaborate with their trading partners to keep up with shifting landscapes and remain profitable (Cannondale, 2009).

General Advertising Practices During a Recession

Brands that increase advertising during a recession, even when competitors are cutting back, can improve market share and return on investment (Quelch, 2008). David Ogilvy (1983) explains, “If you stop advertising a brand which is still in its introductory phase, you will probably kill it—forever. Studies of the last six recessions have demonstrated that companies which do not cut back their advertising budgets achieve greater increases in profit than companies which do cut back” (p. 170). The knee-jerk reaction is to eliminate spending on items such as advertising, which many consider a frill expenditure. Ogilvy (1983) says, “I have come to regard advertising as part of the product, to be treated as a production cost, not a selling cost” (p. 170).

When people move into fear mode, businesses need to be sensitive to how they communicate. In fact, Zmuda (2008) states, “Experts say to steer clear of messaging that is aspirational, optimistic, lighthearted or patriotic. Instead, marketers should offer reassurance, empower the consumer and emphasize value, not price” (p. 27). After 9/11, car companies like General Motors told consumers to “Keep America Rolling”, but “this campaign was applauded by some but lambasted by many” (Zmuda, 2008, p. 27). Companies also need to help consumers see the value in their products to make a sale. As Quelch (2008) states, “Consumers take more time searching for durable goods and negotiate harder at the point of sale. They are more willing to postpone purchases, trade down, or buy less. Must-have features of yesterday are today’s can-live-with outs” (para. 2).

Arbruster (2008) concurs, “In a recession, customers don’t stop buying; they just stop ‘over-buying’”. In other words, they start thinking twice about that $4 Starbucks latte and start talking about how great 99-cent Dunkin Donuts coffee really is after all" (para. 4). With customers out shopping around for the best deals and trading down, businesses should consider tactics such as adjusting price. This may mean that they offer more temporary price promotions and discounts while providing value packs. This is necessary because "in tough times, price cuts attract more consumer support than promotions such as sweepstakes and mail-in offers" (Quelch, 2008, para. 7).

Competitors may reduce their advertising expenditures because they do not see the value. This gives the businesses that want to come out ahead of their competition a perfect opportunity to gain a larger part of the market share. While some businesses do not see value in advertising during a recession, those businesses that do, reap loyal consumers that are looking for discounts and promotions. According to Johannes (2008), "Discounts of $25 off a $100 purchase "get people's attention" (p. 10). Discounts are the driving factors that get people to react and spend by giving consumers the feeling that they are in control.

Historic records indicate that economic slowdown creates new business innovation and expansion. Companies should be aware of opportunities and continue to find big-bet innovations that will help them survive through a recession and enhance their appearance when the economy revives. As Neff (2008) states, "Previous recessions have provided big opportunities-spawning the brand-management system, soap operas, modern cable networks, airline loyalty programs, the IBM personal computer, the iPod, Crest White strips, Axe body spray and—for better or worse—fast -food value menus" (p. 1).

During the first three years of the Great Depression, Neff (2008) stated that, "P&G's sales fell by more than half, from $192 million to $94 million, and earnings fell 50 percent, to $11 million. But P&G didn't lay off anyone during the Depression. And it charged ahead with innovation" (p. 3). During this time, P&G launched the first radio soap opera and the first synthetic detergent brand, Dreft. The following list contains other examples of brands or inventions that emerged during tough economic times:

- 1975 Small and midsize Japanese Cars
- 1979 The Home Depot
- 1980 CNN
- 1981 IBM personal computer
- 1982 MTV
- 1991 Pull-Ups training pants
- 2001 iPod (Neff, 2008, p. 5)

It is hard to imagine what it would be like for consumers to live without these brands and products that emerged during tough economic times.

Companies that dive into their consumer insights and find ways to take risk and deliver innovation based on consumer needs will find more growth during tough economic times.

Chapter 3: Research Questions and Methodology

Little to no research exists on CPG trade advertising. This study looks at trade advertisements of CPG companies during the December 2007–June 2009 recession, specifically those advertisements that targeted retailers.

Research Questions

Research Question 1: What did retail grocery trade advertisements of the top 10 U.S. CPG companies focus on during the 2007–2009 recession? (e.g., new items, retailer/shopper solutions, overall company branding/strategy, etc.)

Research Question 2: Were there more hedonic or functional foods advertised by these top 10 U.S. CPG companies during the 2007–2009 recession in retail grocery trade advertisements? How did the claims compare?

Research Question 3: Which of the top 10 U.S. CPG advertisers communicated through their retail trade advertisements how they deliver on "long-term" performance measures? (e.g., clear company strategy, important consumer brands, helpful consumer/shopper insights and category management, and best supply chain management)

Research Question 4: During the 2007–2009 recession, which of the top 10 U.S. CPG manufacturers addressed the industry issues for the consumer (e.g., health and wellness, meal solutions, private label, multi-cultural marketing, aging population, mom, and convenience)? Which addressed retailer merchandising issues (assortment, pricing, shopper marketing, segmentation, everyday low price, clean floor, and quick meal solutions)?

Methodology

A content analysis was conducted to research the retail trade advertisement content and messaging to retailers by CPG manufacturers during a recessionary period. This study was unique and new for retail trade advertising, the results of which could provide further suggestions for future CPG advertising research. A conceptual content analysis, an observational research method used to systematically evaluate symbolic content, was conducted to answer all four research questions. This method was chosen so that certain characteristics of the ad messages could be counted, analyzed, and interpreted. Since this method uses scientific, objective, systematic, quantitative, and generalizable descriptions, it will be possible to repeat this study in the future.

Sampling and unit of analysis. A content analysis was done on print advertisements from CPG manufacturers. The advertisements were pulled from the well-known retail B2B print trade magazine with the largest distribution in the United States, *Supermarket News*, during the December 2007 through June 2009 recession.

This print publication was selected because it represented the larger population of subscribed grocery retail executives, management, managers, and buyers from grocery retail outlets. It is also the primary form of advertising for the executive management audience. Typically, retail buyers read print and look online for information. All of these audiences are considered the primary decision makers for the products available at their retail grocery locations.

A Food Retail Industry readership study commissioned for Supermarket News by Beta Research firm in June 2009 discovered that 69% of the industry leaders with titles of vice president and above indicated that they rely on Supermarket News for industry news and trends, compared to 29% who rely on Progressive Grocer and two percent who rely on Grocery Headquarters. Additionally in this study, 74% of the industry leaders indicated they read Supermarket News first, while 22% indicated they read Progressive Grocer first, and only 4% indicated they read Grocery Headquarters first. Because of this study, it was determined to only look at the ads in Supermarket News, as it is the number one source of news for this audience. It also had the most qualified paid circulation. For the six-month period ending December 2008, the total circulation for Supermarket News had a total average qualified paid and non-paid circulation of 32, 970 (19,337 paid, and 13,633 non-paid), as stated in the Audit Bureau of Circulations Business Publication Publisher's Statement (2009). Progressive Grocer had 1,556 paid and 38,951 non-paid (BPA worldwide business, Progressive Grocer, 2009), and Grocery Headquarter had 36,019 non-paid (BPA worldwide business, Grocery Headquarters, 2009).

Through a preliminary sample analysis of CPG advertising, it was found that if a CPG company placed an ad in the weekly *Supermarket News* issue, the same ad was likely to be placed in the monthly *Progressive Grocer* and *Grocery Headquarters*. Therefore, the selection criteria were based on finding a print publication that had comprehensive U.S. circulation, strong readership, and had many full-page, color food advertisements from CPG companies.

CPG advertisements were analyzed from all weekly issues for the entire length of the December 2007 through June 2009 recession. The unit of analysis was full-page advertisements. Two-page advertisements were counted as one. Advertisements that were smaller than a full page and classified advertisements were not included. If multiple claims appeared in a single advertisement, each claim was recorded separately under the appropriate category.

Only ads from the top 10 CPG companies in the United States were analyzed. These companies were determined from the 2009 Cannondale PoweRanking study, which identified the top performing manufacturers in the eyes of their trading partners—their retailers. This study was selected because the “results are tabulated on a two-year rolling basis, reflecting the percent of respondents ranking the company among the top three (Cannondale, 2009, p. 7). Therefore, the 2009 report contained the top manufacturer data from 2008 and 2009, which is the majority of the most recent recession timeframe. However, the report will not show the December 2007 timeframe, which was considered the first month of the recession.

Coding scheme. A coding scheme, consistent with previous research, was used (Kim et al., 2009; Lord et al., 1987). A coding sheet was developed to tabulate the product advertised and the claims used in each advertisement. The coding sheet helped the coder determine which products/advertisements belonged to which manufacturer. It also helped the coder determine if that product/advertisement was included in the top 10 manufacturer list. From there, the coders determined the focus of the retail trade advertisements during the 2007–2009 recession, whether the advertised product was hedonic or functional food, if there were any long-term performance measurements included, and if any industry issues were addressed in the ads.

Coding procedure. Once the coding scheme was set, two independent individuals who were unaware of the research goals were selected as coders. Both coders were given the same set of sample ads taken from *Supermarket News*. They were then trained to conduct the content analysis of the ads using the coding scheme defined by the study. Coders were given the option to record their results on a Microsoft Word document (see Exhibit 1) or into a Microsoft Excel worksheet. Each mode contained all the coding questions needed for accurate coding. The coder was then asked to transfer all coded materials to a Microsoft Excel file, which was used as the final coding data resource.

In-person meetings were conducted periodically so that the researcher could provide appropriate instructions for the coding process. The first meeting began with an explanation of the categories, the category definitions, and its sub-dimensions. This was also an opportunity for the researcher to understand the objective of each of the questions and allow the coders to ask questions prior to starting their task.

Each coder was then asked to practice the actual coding with advertising examples to test their understanding of the category definitions. Any inconsistencies in coding were identified and resolved through oral discussion about the advertising examples and how they would code the examples. Additional training was provided until both coders were fully familiar with the coding scheme. This ensured complete understanding prior to their individual coding processes. The coders had access to the researcher throughout the coding process to confirm understanding of the process or to ask questions.

After the training session, the two coders were asked to code a subset of 10 printed advertisements on their own. An inter-coder reliability test was conducted to ensure a 90% or higher inter-coder reliability result, as recommended by Wimmer and Dominick (2006). Any discrepancies were discussed and resolved with the two coders. The first test established an acceptable inter-coder reliability score of 100%. The coders then continued to code all advertisements by applying the same process, definitions, and understandings used to reach the acceptable inter-coder reliability testing scores.

Based on the four research questions, the print advertisements were analyzed to further assess each advertisement's applicability to each of the research questions. A total of 195 ads were analyzed and of those, five ads were coded differently resulting in 92% reliability. All of those eight ads were discussed until the two coders agreed on the coding assignments. The coders reached a unanimous agreement on all ads that were coded.

Each coder had his or her own Excel calculation. Once results were tabulated, the two spreadsheets were brought together into one final spreadsheet. Eight total ads were found to have discrepancies. After working through each of these discrepancies, one final coding sheet was developed with unanimous agreement on all the coding definitions. Duplicate ads were also removed to analyze each manufacturer's advertising practices even further.

The current research conducted a quantitative review of a total of 195 print ads in *Supermarket News* during the recessionary time period. Of those 195 ads, there were 66 unique ads. This meant that all other ads were duplicates of the unique ads that had already run at least one time during that timeframe. These ads were coded to get an accurate look at how often CPG companies ran a unique message and how often those messages were repeated.

Chapter 4: Findings

A total of 195 ads were analyzed from *Supermarket News* during the December 2007 through June 2009 recession for the top 10 ranked CPG companies in the 2009 Cannondale PoweRanking report.

Proctor & Gamble, ranked number one, had 17 ads during this time, with five of these ads being unique or different. This means that 12 of the ads were duplicates and ran more than once during this period. Kraft, ranked number two, had 29 ads with 10 of those ads being unique. Pepsi, ranked number three, ran only two ads during this timeframe, and they were both unique ads. General Mills, ranked number four, ran the most ads over the timeframe with a total of 56 ads. Just over one-fourth of those ads (16) were unique while the rest were duplicates.

Nestlé, number five in the ranking, ran a total of six ads, and they were all unique. Unilever, number six in the ranking, had 49 ads, 11 of which were unique. Then, Coca-Cola, number seven, had a total of 11 ads, and four of those ads were unique. Kellogg's, number eight, had 13 ads, and six of them were unique. ConAgra Foods, number nine, had a total of 12 ads, with six unique ads. Lastly, Kimberly-Clark, number 10, ran no company ads in *Supermarket News* during this timeframe. (See Table 1.)

Table 1
Mean Numbers of Total and Unique Trade Advertisements

PoweRanking	CPG	Total	Unique Ads	Percentage
1	Proctor & Gamble	17	5	29%
2	Kraft	29	10	34%
3	Pepsi	2	2	100%
4	General Mills	56	16	29%
5	Nestlé	6	6	100%
6	Unilever	49	11	22%
7	Coca-Cola	11	4	36%
8	Kellogg's	13	6	46%
9	ConAgra Foods	12	6	50%
10	Kimberly-Clark	n/a	n/a	n/a
	Total	195	66	

Note. PoweRanking is the composite ranking for each of the top 10 CPG manufacturers. It comes from the 2009 Cannondale PoweRanking Survey. The percentage is the percentage of unique ads, which was found by dividing the number of total ads by the number of unique ads. The percentage was rounded to the nearest 10th decimal place.

Of these CPG companies, General Mills (56 ads) and Unilever (49 ads) ran the most print advertising in *Supermarket News* through this recession period. Kraft (29) had the third highest frequency of ads running during this timeframe.

The results of the first research question, which analyzed the focus of retail grocery trade advertisements used by the top 10 U.S. CPG companies during the 2007–2009 recession, are presented in Table 2.

Nestlé had the highest percentage (67%) of their unique ads focused on introducing new items. Kellogg's had the second highest with 50%, and Unilever had the third highest with 18%, followed closely by ConAgra Foods with 17%.

For ads focused on a single brand, Pepsi ran only two ads during the 2007–2009 recession, and both of their ads were focused on a single brand, Lipton Tea. Kraft had one of their 10 unique ads focused on Triscuit crackers partnering with wine-maker Turning Leaf for "easy entertaining". Kellogg's had one of their six unique ads focused on their Kashi cereal brand. Lastly, General Mills had one of their 16 unique ads focus on Progresso soup.

Of all the ads from the top 10 CPG companies during the 2007–2009 recession, the majority of them focused on delivering messaging around shopper and retailer solutions. In fact, seven of the 10 retailers had some percentage of their ads focused on this topic at one or more occurrences during this time period. The heavy hitter in this area was Coca-Cola, where all (100%) of their ads focused on delivering "occasion-based shopper solutions", bundled favorites and segmented merchandising programs. General Mills had 75% of their unique ads focused in this area as well. Kraft and Kellogg's had

50% of their unique ads focused on key messages for shopper and retailer solutions. Unilever had 45% focused on this area.

ConAgra Foods had the highest percentage of their ads focused on company overview strategy at 50%, Kraft had 40%, General Mills had 31%, and Unilever had 27%.

Seven of the 10 CPG companies focused on communicating a growth strategy for at least one of their brands for one or more times during this time period. Nestlé's six unique ads all focused on delivering strategy tactics for growth. Pepsi (with Lipton®) focused on a single brand strategy for 50% of their unique ads. Kellogg's focused on a single brand growth strategy for 33% of their ads.

Lastly, three other companies had one or more ads fall into the "other" category. For ConAgra Foods, one ad focused on the total portfolio of brands, not just a single brand strategy. For General Mills, two unique ads focused on their supply chain program, and Kraft had an ad that congratulated its customer, Kroger, on 125 years of business. (See Table 2.)

Table 2

Percent of CPG Retail Trade Advertising Focus During 2007–2009 Recession

CPG	New Item	Single Brand	Shopper/Retailer Solutions	Company Overview	Single Brand Strategy	Other
P&G			18		18	
Kraft		10	50	40	10	10
Pepsi		100			50	
GM	6	6	75	31	13	13
Nestlé	67		33		100	
Unilever	18	9	45	27	27	
Coca-Cola			100			
Kellogg's	50	42	50		33	
ConAgra	17			50	17	17

Note. The values represent mean percentages of unique ads that focus on the topics identified. These percentages were found by dividing the number of total ads by the total number of times each focus area was represented. The percentage was rounded to the nearest 10th decimal place.

The results of the second research question, which analyzed if more hedonic or functional foods were advertised by the top 10 U.S. CPG companies during the 2007–2009 recession, are presented in Table 3. There were generally more functional than hedonic food claims in the trade ads analyzed. These claims really only appeared in the ads that focused on a single brand, and 20 of the 66 unique ads had a hedonic or functional food claim (5 hedonic, 15 functional).

The hedonic ads were typically for new product innovations to emphasize delicious taste. The functional ads were for products that helped the consumer address a need or concern, such as health and wellness.

Table 3
CPG Trade Advertising During the 2007–2009 Recession and Their Claims for Hedonic or Functional Foods

CPG	Ads	Percent	(H) or (F) [a]	Claim Key Words
Kraft	27	10	H	Make their day delicious.
Pepsi	2	100	F	Nature-loving, health-conscious, varietal-seeking, premium tea, all-natural, fresh-brewed
GM	48	13	F	750 items with 150 calories or less, healthful options.
Nestlé	6	50	F	Healthy nutrition guide, healthy meals and snacks for preschoolers.
Unilever	49	36	H	The great flavor of Hellmann's Real Mayonnaise! Hellmann's delivers delicious flavor and trusted quality that customers know and love.
Kellogg's	12	40	H	New All Bran Strawberry Medley cereal delivers big on taste, delicious

		20	F	Kashi cereals: True Taste. True Nourishment, True to Nature.
ConAgra	12	67	F	Products for a balanced life, new product label committed to healthy and balanced life.

Note. [a] = (H) is Hedonic and (F) is Functional. The values represent mean percentages of unique ads that focus on the topics identified. These percentages were found by dividing the number of total ads by the total number of times each focus area was represented. The percentage was rounded to the nearest 10th decimal place. CPG companies that did not have a hedonic or functional ad were removed. These included Proctor & Gamble, Coca-Cola, and Kimberly Clark.

Research question number three looked at which of the top 10 U.S. CPG advertisers communicated their “long-term performance measures” through their retail trade advertisements (as defined in the Cannondale 2009 PoweRanking Report). The companies with the highest percentage of their unique ads focusing on a clear company strategy were Proctor & Gamble (60%), ConAgra Foods (33%), and Kraft (30%). The companies with the highest percentage of their unique ads focusing on advertising their important consumer brands were Pepsi (100%), Unilever (82%), and tied at 67% were Nestlé and ConAgra Foods. In the area of insights and category management, Coca-Cola (100%), Proctor & Gamble (80%), and Nestlé (50%) advertised against these tactics most of the time with their unique ads.

Only two CPG companies focused ads around supply chain management: General Mills (12%) and Kraft (10%). Of all of these measures, seven of the 10 CPG companies focused on these tactics in one or more of their ads; however, only two of the 10 manufacturers focused on supply chain management for at least one ad during this timeframe (see Table 4). Kraft and General Mills were the only manufacturers to focus on all four long-term measures at least once during the 2007–2009 recession.

Table 4

Percentage of CPG Trade Advertising Focused on “Long-Term” Performance Measures

CPG	Company strategy	Brands	Insights / Category	Supply Chain
P&G	60		80	

Kraft	30	20	30	10
Pepsi		100		
GM	25	50	37	12
Nestlé	16	66	50	
Unilever	27	81	27	
Coca-Cola			100	
Kellogg’s	16	50	16	
ConAgra	33	66		

Note. The values represent mean percentages of unique ads that focus on the topics identified. These percentages were found by dividing the number of total ads by the total number of times each focus area was represented. The percentage was rounded to the nearest 10th decimal place. Kimberly Clark did not have any advertisements and is not shown in the table.

Research question number four looked at which of the top 10 U.S. CPG manufacturers addressed one or more of the 14 industry issues identified by retailers in the 2009 Cannondale PoweRanking Report. Only eight of the 14 industry issues were addressed throughout the 2007–2009 recession time period by these companies. None of the following issues were addressed by the CPG companies: private label, multi-cultural marketing, aging population, assortment, pricing, and clean floor. Table 5 shows the issues that were addressed through the retail trade ads.

Unilever addressed the most issues through this period, with focus on five of the 14 industry issues. The majority of Unilever’s ads (54%) were focused on health and wellness. They also addressed everyday low prices in almost 17% of their ads. In addition, they focused on shopper marketing, meal solutions, and quick meal solutions. General Mills addressed a total of four industry issues, with their strongest focus (31%) on the area of shopper marketing. Twenty-five percent of their ads focused on health and wellness. The other two topic areas they addressed were meal solutions (6%) and everyday low prices (6%).

Kraft, Coca-Cola, Kellogg’s, and ConAgra Foods all addressed at least three industry issues during the 2007–2009 recession. Kraft focused on mom (10%), convenience (10%), and shopper marketing (30%). Kellogg's focused on health and wellness, mom, and convenience (all three of which constituted 17%). ConAgra Foods focused the majority of their ads on health and wellness (67%), meal solutions (20%) and shopper marketing (10% of ads). For health and wellness, Nestlé focused 66% of their ads on this topic while Proctor & Gamble focused 20%. As for mom, Nestlé focused 50% of their ads while Proctor & Gamble focused 20%.

Table 5

Percentage of CPG Trade Advertisements Focused on Top Industry Issues

CPG	Health / Wellness	Meal Solutions	Mom	Convenience	Shopper Marketing	Segment-ation	Low Price	Quick Meal
P&G	20		20					
Kraft			10	10	30			
Pepsi	100							
GM	25	6			31		6	
Nestlé	66		50					
Unilever	54	9			9		16	9
Coca-Cola				25	75	25		
Kellogg	16		16	16				
ConAgra	66	20			10			

Note. The values represent mean percentages of unique ads that focus on the topics identified. These percentages were found by dividing the number of total ads by the total number of times each focus area was represented. The percentage was rounded to the nearest 10th decimal place. Kimberly Clark did not have any advertisements and is not shown in the table.

Table 6 compares the Cannondale PoweRanking results for 2009, 2010, and 2011. General Mills and Unilever both had the most comprehensive advertising during the 2007–2009 recession. These companies had the most frequently run ads (GM ran 56 ads during this time, and Unilever ran 49) and addressed the largest combination (eight) of long-term strategies or industry issues during this time. Both General Mills and Unilever were the only CPG companies that increased their PoweRanking results in 2010 when compared to 2009. They also maintained their rankings in 2011. As Unilever moved up, Nestlé addressed five of the long-term strategies or long-term issues and fell in their rankings. As General Mills moved up, Pepsi addressed two of the long-term strategies or long-term issues and fell in their rankings. All other companies maintained their positions, with the exception of Kimberly Clark.

Kimberly Clark ran no ads in *Supermarket News* during the 2007–2009 recession. Compared to the 2009 PoweRanking Report, Kimberly Clark did not make the top 10 listing, nor did this company make the honorable mention listing in 2010 or 2011. Campbell's moved up to the number 10 position ranking in 2010. Colgate-Palmolive, Del Monte, E&J Gallo, Heinz, and Sara Lee were all noted as honorable mentions.

Table 6
Comprehensive Advertising Focus for CPG Trade Advertising in 2007–2009 Recession

		Cannondale Power Ranking Yearly Composite Ranking [b]				
CPG	Total [a]	2009	2010		2011	
P&G	4	1	1	-1.2	1	-3.4
Kraft	7	2	2	+0.0	2	-0.6
Pepsi	2	3	4	-2.9	4	-1.5
GM	8	4	3	-0.2	3	+2.1
Nestlé	5	5	6	-4.9	6	-0.4
Unilever	8	6	5	+5.1	5	+2.8

Coca-Cola	4	7	7	-2.1	7	+1.9
Kellogg's	6	8	8	-0.9	8	-0.5
ConAgra	5	9	9	+0.3	8	+0.3
Kimberly	0	10				

Note. [a] Mean total of long-term performance topics (four) or industry issues (14) addressed during the 2007–2009 recessionary period. [b] Years 2010 and 2011 show the composite ranking and the point change of the total composite ranking from the prior year.

Chapter 5: Discussion

The current research extends Lord's (1985) research on food advertisements published in general consumer magazines, Klassen et al (1991) research of claims made in food advertising, and Kim et al. (2009) content analysis on different food advertising claims across two food categories. This study attempts to fill the gap that previously existed in advertising research for retail trade publications that reach food retailers. To accomplish this, the study looked at how advertisers addressed key long-term success strategies and industry issues during a recessionary period.

Results from the current research indicate that retail trade print advertisements may enhance manufacturers' reputation with their trading partners, as seen in the Cannondale PoweRanking report. The PoweRankings help identify the best manufacturers (as evaluated by their trading partners) and provide insight into what makes "the best" manufacturers and retailers.

If only looking at the two manufacturers that saw an uptick in their PoweRanking composite ranking (from 2009 to 2010), Unilever and General Mills, it is interesting to note that these two companies ran the most ads during the researched time period. General Mills ran the most ads (56), and just over one-fourth of these were unique and the rest were duplicates. Unilever had 49 ads, and of those, 11 were unique. These two CPG manufacturers also had the most comprehensive advertising strategy by addressing eight of the eighteen long-term success strategies and industry issues. However, because both of these CPG companies ran more duplicate ads, this may indicate that repeating comprehensive messages may have a greater effect on keeping or maintaining a Cannondale PoweRanking composite score.

To further support this finding, Kimberly-Clark ran no ads during this time period, and in 2010 and beyond, they have not made it back on the top 10 PoweRanking listing or the honorable mention list (top 11–15). This may indicate that advertising can help remind retailers of what CPG manufacturers have to offer. Unilever and General Mills appeared to have the most comprehensive advertising strategies throughout this period of time compared to that of the other manufacturers who only focused on a few advertising strategies. This may indicate that having a strategic plan that focuses on the key long-term success measures and solutions to industry issues can help company recognition and ultimately foster stronger business results.

When looking at food advertising claims for retail trade advertisements, hedonic and functional food claims may be less important to retailers than they are for consumers in consumer-focused magazine print ads. This is likely because the ads are more about retail and manufacturer partnerships and less about specific brand taste and functionality. The CPG manufacturer advertisements to retailers are more about growing business and categories.

While this research indicated that most food claims were functional, the majority of the unique ads did not have a single or multi-branded product to classify as hedonic or functional. Comparing these claims in retail trade advertisements seemed less relevant to this audience.

General Mills was the only company that hit on all four of the long-term performance measures at least once during this time period. The measure that received the least attention was supply chain management; only Kraft and General Mills addressed this topic during this time period. This may show an area of opportunity that manufacturers can leverage their supply chain management solutions to help deliver a holistic company strategy. The most strongly represented topics for all manufacturers were Important Consumer Brands and Insights and Category Management. This may show that effective retail trade advertising should always include why the CPG products are important and how they are growing categories with new solutions.

Research question four looked at how manufacturers were addressing the industry issues that their trading partners were concerned with during this time period. This may further indicate that advertisers need to constantly be in tune with their customers to ensure that they are meeting their most challenging needs. In this research, eight of the 14 industry issues were addressed by one or more manufacturers. Again, Unilever and General Mills had the most comprehensive ad strategy that addressed the most industry issues throughout this timeframe. Unilever addressed five of the 14, and General Mills addressed four of the 14. Of all of the industry issues, the topic of health and wellness was addressed by the manufacturers the most, followed by shopper marketing solutions and addressing the topic of mom.

Limitations

Despite the rigorous effort put into this research, several limitations should be noted. Due to availability, a convenience sample was used, and a few issues of *Supermarket News* were not analyzed. Eleven issues of the 76 during this time period that were either not available or did not contain any ads from the top 10 manufacturers. Therefore, they were not included in this analysis. Another limitation to the research was that it only looked at print advertising. This study does not take into account online ads and in-person selling strategies. This may mean that there were several other ways that retailers received information about the manufacturers they work with, and those interactions may have also affected how they rated their trading partners.

Finally, only *Supermarket News* ads were analyzed, and from a sample analysis it was determined that if an ad were placed in *Supermarket News*, it would likely appear in a competitive publication. It is possible that manufacturers did not advertise in *Supermarket News* but did so in other publications. Therefore, the long-term measures and the industry issues may have been addressed in other areas.

Future Research

Future studies could look at what makes an effective retail trade publication ad and determine if manufacturers should adjust their strategies based on industry issues and long-term strategies. When it comes to retail trade publications, future research should be done to determine which forms of advertising are most impactful to reach the decision makers. Perhaps further analysis should be done on the retail trade advertising audience to determine how and when they receive information, what they are looking for, and what's most effective. Staying in tune with the audience and effective advertising practices will provide a higher return on investment for CPG manufacturer's advertising expenditures.

Additionally, future research should investigate retail trade advertising in other forms of media, such as mobile communications, email, and Internet. With this research, it would be interesting to learn if there are differences in the number and types of advertising found in all of these forms of advertising. Perhaps there are more opportunities to reach retail decision makers through these non-traditional channels of communication.

Findings of this study seem to support the idea that running ads with consistent messages over a period of time may affect retention of company initiatives. It would be interesting to research how often these ads are reviewed by the key audience/decision makers and what they recall from these ads over a period of time. This may show that when it comes time to rank a manufacturer as being “the best of the best”, the ads were successful in reminding the retailer of strong, strategic partners. Perhaps there are more opportunities to supplement these ads and key messages with retailers using more targeted communications.

Lastly, it would be interesting if further research compared how retail trade advertisements changed after the recessionary period. Recently, Kraft rolled out a new ad about reaching the “value” shopper. Now that the shopper buying behaviors have changed due to the economy, it would be interesting to learn what the current industry issues are and how manufacturers are or have addressed these areas.

Conclusion

CPG manufacturers likely have less focus on their trade advertising strategies compared to their consumer advertising strategies. If looking purely at numbers, consumers far outnumber retail partners. Consumer advertising helps get people in the doors of retailers to buy products. Retail trade advertising helps supplement the retailer/manufacturer relationship to show how manufacturers can deliver more innovation, shopper solutions, volume, sales, and category growth.

From this research, it appears that food manufacturer trade advertisements are more about growing business with their retail partners and less about focusing on claims about hedonic or functional foods as they would with consumer-focused advertisements.

Retail trade ads clearly provide an important message to an important audience. Food manufacturers should consider focusing their internal resources to ensure that a consistent, clear company strategy is communicated through their ads.

It is very interesting to see that the two manufacturers with the most comprehensive ads that focused on the most “long-term” success strategies and the top industry issues performed the best (moved up in the rankings) just after the recessionary time period. It seems logical that if CPG manufacturers are focusing on the right topics in their advertisements, they are also delivering solutions to their retail partners around these same focus areas.

This would then support the idea that with a comprehensive retail trade advertising program and retailer solutions, a CPG manufacturer could improve their reputation with retail customers and move up or maintain their competitive rankings in reports such as the Cannondale PoweRanking report.

This study also helps to reinforce the importance of strong partnerships with customers no matter the size of the company. When manufacturers have a strategic relationship with their retail customers, they will better understand the industry issues and build better solutions to meet those needs. This trust and collaboration will go a long way, especially when retailers are trying to recall who they consider to be “the best of the best.”

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Appendix A

Coder Instructions/Definitions

Supermarket News Coding Sheet
Instructions/Definitions to Coders

Consumer Packaged Goods Trade Advertisement Study

Fill out one coding sheet hard copy or Excel worksheet per qualified advertisement. Below you will find definitions of each of the questions and how to answer them.

Only Ads from the following top 10 U.S. CPG companies should be analyzed. If ad is for a brand made by a CPG company, use the Excel list of CPG company brands to correctly identify the company.

CPG ID

1. Proctor & Gamble
2. Kraft
3. PepsiCo
4. General Mills
5. Nestle
6. Unilever
7. Coca-Cola
8. Kellogg's
9. ConAgra Foods
10. Kimberly-Clark

Ad ID

Ad id is a total of 9 digits: date-ad number (xxxxxx-xxx)

- Date: Six digits, e.g. September 16, 2009 is 091609
- Ad Number: Is the digit written on right corner of each SN ad

The correct Ad Id in this example is: 091609-1.
Coder – Coder ID number is your unique Id # given to each coder

Key words on Ad: Write key words in the ad for easy identification.

Focus of Ad:
New item ads: will have headlines or copy that say "New, Introducing, Introduction, Innovation"

Shopper/Retailer solution ads: will have headlines or copy that read "help, solutions for retailer/customers, e.g. shelving, racks, etc."

Company overview ads: will give general overview of food manufacturer, their brands and strategy.

Single brand/strategy: will give overview of a particular brand/strategy, but not necessarily for a new item introduction.

Mark:

1. If ad is for a new item introduction.
2. If ad is for a single brand (not a new item)
3. If ad is for Shopper/Retailer Solutions
4. If ad is a company overview/strategy
5. If ad is for a single brand/strategy
6. If ad is "other" __________________

Product Category:

Hedonic Foods: Primary motivation for consumption is to gain immediate sensory pleasure such as great taste and feelings

Functional Foods: offer solutions to a current consumption-related problem, such as serving a healthy and convenient meal.

Mark:

1. If ad is for a hedonic food
2. If ad is for a functional food

Long-term performance measures:

Clear Company Strategy: a simple economized message is portrayed in the ad about a particular company. It is easy to understand what their main strategy is with their audience.

Important Consumer Brands: ad convinces readers that the manufacturer's brands offer a good interface with consumers and value to the audience.

Insights and Category Management: helpful consumer information and category management that can help growth and profitability

Supply Chain Management: efficient supply chain to ensure products are available to retailers.

Mark:

1. If ad uses “clear company strategy”
2. If ad uses “important consumer brands”
3. If ad uses “Insights and category management”
4. If ad uses “Supply Chain Management”

Industry issues:

Consumer areas

- Health and Wellness
- Meal Solutions
- Private Label
- Multi-cultural marketing
- Aging population
- Mom
- Convenience

Merchandising areas

- Assortment
- Pricing
- Shopper Marketing
- Segmentation
- Everyday Low Price
- Clean Floor
- Quick Meal Solutions

Mark:

1. If ad uses in any headline or claim “Health and Wellness”
2. If ad uses in any headline or claim “ Meal Solutions”
3. If ad uses in any headline or claim “Private Label”
4. If ad uses in any headline or claim “Multi-cultural marketing”
5. If ad uses in any headline or claim “Aging Population”
6. If ad uses in any headline or claim “Mom”
7. If ad uses in any headline or claim “Convenience”
8. If ad use in any headline or claim “Assortment”
9. If ad uses in any headline or claim “Pricing”
10. If ad uses in any headline or claim “ Shopper Marketing”
11. If ad uses in any headline or claim “Segmentation”
12. If ad uses in any headline or claim “every day low price”
13. If ad uses in any headline or claim “clean floor”
14. If ad uses in any headline or claim “Quick Meal solutions”

Appendix B

Coding Sheet
Consumer Packaged Goods Trade Advertisement Study

CPG ID (circle one)

(1) Proctor & Gamble
(2) Kraft
(3) PepsiCo
(4) General Mills
(5) Nestle
(6) Unilever
(7) Coca-Cola
(8) Kellogg's
(9) ConAgra Foods
(10) Kimberly-Clark

Ad ID _ _ _ _ _ _-_ _ _

Key words on Ad:

____

Focus of Ad:

- New item ads: will have headlines or copy that say "New, Introducing, Introduction, Innovation"
- Shopper/Retailer solution ads: will have headlines or copy that read "help, solutions for retailer/customers, e.g. shelving, racks, etc."
- Company overview ads: will give general overview of food manufacturer, their brands and strategy.
- Single brand/strategy: will give overview of a particular brand/strategy, but not necessarily for a new item introduction.

Mark:

(1) If ad is for a new item introduction.
(2) If ad is for Shopper/Retailer Solutions
(3) If ad is a company overview/strategy
(4) If ad is for a single brand/strategy
(5) If ad is "other" __________________

Product Category:

Mark:

(1) If ad is for a hedonic food
(2) If ad is for a functional food

Long-term performance measures:

Mark:

(1) If ad uses "clear company strategy"
(2) If ad uses "important consumer brands"
(3) If ad uses "Insights and category management"
(4) If ad uses "Supply Chain Management"

Industry issues:
Mark:

Consumer

(1) If ad uses in any headline or claim "Health and Wellness"
(2) If ad uses in any headline or claim " Meal Solutions"
(3) If ad uses in any headline or claim "Private Label"
(4) If ad uses in any headline or claim "Multi-cultural marketing"
(5) If ad uses in any headline or claim "Aging Population"
(6) If ad uses in any headline or claim "Mom"
(7) If ad uses in any headline or claim "Convenience"

Shopper

(8) If ad use in any headline or claim "Assortment"
(9) If ad uses in any headline or claim "Pricing"
(10) If ad uses in any headline or claim " Shopper Marketing"
(11) If ad uses in any headline or claim "Segmentation"
(12) If ad uses in any headline or claim "every day low price"
(13) If ad uses in any headline or claim "clean floor"

If ad uses in any headline or claim "Quick Meal solutions"