

Case Study 8.2 Healthy Dog Gourmet
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ADV 370J Integrated Communication Management
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Problem Statement:

Due to being a local startup company, Healthy Gourmet has the challenge of attracting consumers to buy a private brand of organic dog food from a local Veterinary Clinic in Austin, Texas using a modest media budget of only 100,000 dollars.

Critical Factors:

1) The two year media budget of 100,000 is small and will make it challenging to have a big impact on the target audience. To have a successful campaign with this budget the company will need carefully select when, where and how they will advertise, in order to be the most efficient with their money and effective with their message.

2) The company does not have a clear set of media objectives. Specific goals are needed to have a successful media plan, the business goals that the company is trying to achieve using the advertising should help determine the media objectives. Business goals can include awareness of the private brand of dog food, to the amount of dog food sales the company hopes to have.

3) Define the target market, the group and subgroup of people who are most likely to purchase the organic dog food, needs to be a narrowly defined group of individuals. Once the target market is defined we can then determine when, where and how to communicate effectively.

4) The way people consume media is currently shifting. Traditional media which includes television, radio, and print and others now has to compete with new media as a result of the digital era. Some of the new media consist of online marketing, mobile, social media and other digital outlets. Although the new media, allows advertisers to reach a more specific target audience with the opportunity to tailor the message; it also adds to the cluttered environment of advertising. This clutter is making it more challenging for advertising to be noticed by the desired consumer.

5) Success of Healthy Gourmet depends on success of the Veterinary Clinic. The private brand of dog food will only be sold at the local Veterinary Clinic; therefore consumers will have to be aware and visit this particular location in order to purchase the dog food. It is vital to Healthy Gourmet, for the Veterinary Clinic to become a highly reputable business. Organic dog food can now be purchased at supermarkets, pet stores and online. According to Mintel's research, more than one third of pet food shoppers say they usually buy their pet food at pet specialty stores, showing that pet owners are not only influenced by convenience.

6) Organic dog food has a low share of the dog food market. Currently organic dog food sales are only 0.9% of the sales of all dog food. Yet the dog food market as a whole, has maintained solid performance in recent years, gaining each year between 2006 and 2011 and growing 20% over that period. Segment growth has been fueled by strength at the higher end of the market, including premium products promising new health benefits and improved palatability (Mintel). This strong market performance has resulted in competitors entering the organic dog food category, these competitors range from newly formed private label companies to established brands such as Nestlé's Purina (Mintel).

7) Due to the poor economy people might not be willing to pay for the more expensive organic dog food. "Roughly three pet food shoppers in 10 say they currently don't buy but are interested" in organic or natural pet food. A significant barrier may be cost, as most products with partially or completely organic ingredient lists compete at the super-premium end of the market and are available primarily through the pet specialty channel or online (Mintel). However the organic pet food market was able to sustain growth in a difficult economic environment by appealing to pet owners' abiding concern for the health and wellbeing of their pets. Still, pet

owners are more value-conscious than ever. Getting the right price is just as important as choosing the right food (Mintel).

Media Objectives:

- 1) To achieve a 65% awareness of the new Veterinary Clinic, and a 50% knowledge of the new Healthy Gourmet organic dog food, among the target selected.
- 2) Have a minimum of count of 900 visits to the Vet Clinic within the first month of operation.
- 3) Maintain an average of 1,200 visits for each month following the opening.
- 4) Healthy Gourmet is sold to 360 customers, in the first month; with 390 customers buying in the following months.

Alternatives:

- 1) A target market of people living primarily in the Austin City limits, who own 1-2 dogs, and are between the ages of 23 and 35. These individuals are college educated, single or newly married, love the outdoors and have a yearly income of \$120,000 or more. Media to reach these individuals should consist of traditional and non-traditional, in a pulsed media plan that is heaviest during the first month. **(1)** *The Veterinary Clinic needs to have a grand opening, which they can write a press release about and send it to the Austin American Statesman, and local new stations such as KVEW. The press release should include information about the Veterinary clinic as well as the Healthy Gourmet organic dog food, they will sale.* **(2)** *The grand opening could be leveraged with online advertising appearing on the austin360 website; which will be heaviest in the first month, but continue throughout the campaign.* **(3)** *Advertising in Austin Monthly magazine every other month for the first year, and every 3 months the second year; this will help build brand awareness.* **(4)** *Healthy Gourmet will hand*

out 860 branded dog food bowls as a promotional event at dog parks nearest the Vet Clinic, the weekends before and after opening. (5) Flyers that will be placed on windshields of cars parked at local parks in the area, these flyers will be distributed a total of eight times in the two year period. (6) A billboard on MoPac will display information about the organic dog food, and direct consumers to the Vet Clinic. (7) Social Media such as Facebook, will allow us to reach the target market and use our budget efficiently. **Pro:** A broad range of media will effectively reach the individuals who are most likely to purchase organic dog food, the people age 23-35. **Con:** The message will have a large reach but frequency is much smaller.

- 2) A target market of pet owners in the Austin, Texas, which are tech savvy and between the ages of 18-30, average salary of \$75,000. This group of people is passionate about learning; they spend most of their day indoors, in front of their laptops. (1) *Healthy Gourmet should also invest in a website* that not only explains the benefits of the dog food but also makes it possible to purchase online. (2) *Continual social media marketing* such as Facebook and Twitter will help reach this target market. (3) *Healthy Gourmet dog food should also have an app* which will keep the consumer engaged with tips on ways to keep their pet healthy. (4) *Search engine marketing such as Google adwords* should be utilized to direct consumers to the Healthy Gourmet organic dog food website. **Pro:** Digital marketing is less expensive than traditional; communicate to those in a niche market. **Con:** Risk missing a conversation with vital consumers, who are not tech savvy.
- 3) Target market should consist of dog loving families in Austin, with working parents that are age 32-50, who have income of \$155,000 or more. This is the busiest group, they have children to care for, and work to do; pets are primarily intended to be a playmate for children. These individuals are less tech savvy and used to traditional advertisements, (1) *therefore the*

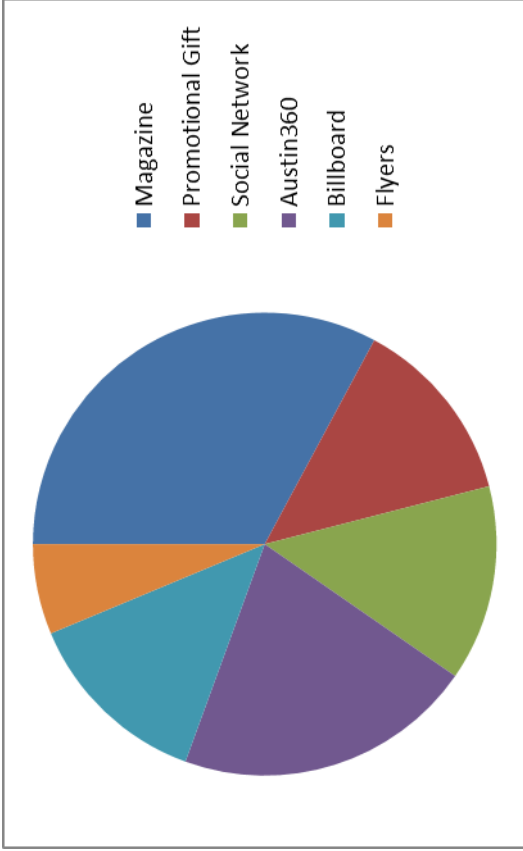
company should send mail outs to 10,000 household in the Austin, Texas city limits. (2) The company should also sponsor one of the many dog events in Austin, TX such as the Might Dog Pet Walk. (3) Flyers should also be handed out at the Might Dog Pet Walk event. (4) Radio advertising on stations like KASE 101, Kiss 96.7 or Mix 94.7 is important to reach this group because the adults in these families are working 9-5 jobs. (5) There should be a display at the point of purchase in the Veterinary Clinic, with incentives such a discount on the organic dog food. Pro: More traditional advertising will have big reach, and adequate frequency. Con: Media might be too broad to communicate with the specified target audience, resulting in wasted money.

Recommendations:

Alternative number one is recommended as the best course of action because it is the most efficient way to use the 100,000 dollar budget to effectively communicate with the most people in the target audience. Because a press release is virtually free to produce and free publicity it will be good way to inform consumers about the clinic as well as its product. Leveraging the press release with online advertising, will attract more people to the Grand Opening, and hopefully spark word of mouth. Austin Monthly Magazine is important to attract individuals who like to shop locally and support local business. Branded promotional gifts such as dog food bowls, and flyers will create awareness of the product, and promotion at a local dog park will reach people at a relevant time and location. The billboard will catch the attention of those who driving to work. Social media advertising is a way to target those who specifically own pets and live in the Austin. Though this media mix I am certain that Healthy Gourmet organic dog food will be a profitable business venture.

Two Year Media Plan

	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Traditional:													
Press Release	\$ -												
Austin Monthly Magazine	\$ 3,000		\$3,000		\$3,000		\$ 3,000		\$ 3,000		\$ 3,000		\$ 18,000
Other:													
Promotional Gifts	\$ 6,000					\$3,000							\$ 9,000
Social Network Advertising	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,500
Austin360 Website	\$ 3,000	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 10,700
Billboard	\$ 6,000						\$ 6,000						\$ 12,000
Flyers	\$ 720			\$ 720	\$ 720	\$ 720	\$ 720						\$ 3,600
Year 2	January	February	March	April	May	June	July	August	September	October	November	December	
Traditional:													
Austin Monthly Magazine	\$ 3,000			\$3,000			\$ 3,000			\$ 3,000			\$ 12,000
Other:													
Promotional Gifts			\$3,000										\$ 3,000
Social Network Advertising	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Austin360 Website	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 8,400
Flyers						\$ 720	\$ 720	\$ 720					\$ 2,160
Contingency													\$ 8,640.00
Total													\$ 100,000



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