First in Show Pet Foods, Inc., Case Analysis

Strategic Marketing

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Background

First in Show Pet Foods, Inc. is one of the major producers of dog food for show-dog in the U.S. The company has a unique dog food that is primary used for these show-dogs kennels. The formula for this product was originally created by a mink rancher for improving the coats of the minks on his farm. After years of preparation the product went from being used on minks to other stock and eventually reached down to his dogs. This transition of using the product on dog was the foundation to the new business. This company became a top seller to show-dogs kennels because of the improvement of the dog’s coat.

Situation

In January 2009, First in Show Pet Foods Inc. met with representatives from Marketing Momentum Unlimited an advertising consulting firm that would help Show Circuit to be introduce its branded dog food into the world of retail branded dog food and not just the dog-show kennel world. The company also wanted a new package design necessary for the transition of markets. The company would like this market transition to be done in the same year for a launch in Boston. Unlike many other dog food products, Show Circuit is produced with inspected beef, liver, chicken, and cereal. The product contains no additives or preservatives. The product will also be located in the frozen food section of stores right next to human foods which will offer a competitive advantage against their competitors.

Environment

The environment for pet dog food has a bright outlook which First in Show Pet Foods, Inc. can take advantage of. There are four social trends within the environment creating
opportunity for the company. The first social trend is more people are becoming dog owners. For First in Show Pet Foods, Inc. this means an increase in its target market and more potential customers. Another trend in the environment is pet owners view and treats their pets as family members. These pet owners invest heavily in the care and maintenance of their pets. First in Show Pet Foods, Inc. can benefit from this because its product is higher quality and it can be marketed as providing the best quality dog food for owners who value their pets. Social trends also reveal an increase in premium and super premium dog foods. Given that First in Show Pet Foods test product sale price may be expensive compared to dry and canned dog foods, the emergence of similar premium dog foods that are equally costly may not deter buyers initially.

The last trend emphasized on all natural, no additives or preservatives, and vitamin and mineral enriched dog food. This last trend benefits the company because it test to see how well Show Circuit products meets the claim of being an all-natural, no additives or preservatives, and vitamin and mineral enriched dog food along with other attributes.

**Competition**

In the dog food industry there are three hundred and fifty dog food brands in the United States, however there are only five companies dominate in sales. The dog food brands that lead in sales include: Nestle Purina PetCare, Iams, Hill's Pet Nutrition, Master Foods USA, and Del Monte Foods, Inc. The major advantage these competitors have is they not only dominate in sales by seventy-five percent, but also hold considerable market share in the different types of dog food. Collectively, these brands hold sixty-eight percent shares in the dry food category, eighty-eight percent shares in the canned food category, and seventy-three percent shares in treats category. Although competitors have considerable market share and strong brand
reputation their products does not have the competitive advantage of being comprised of eighty-five percent meat or of higher quality.

**SWOT Analysis**

**Strengths**

- Show Circuit’s dog food is made from fresh meat and cereal.
- High quality product that specializes in frozen dog food
- First organic dog food in the Boston area
- Help improves the dog’s fur coat
- Location of product in the supermarket
- Blue Ribbon approved
- Finest dog food at an affordable price
- Complimentary to Frosty Paws dog treats

**Weaknesses**

- It is difficult establishing a new product in the market
- Dog owners are price sensitive
- High priced product
- Location of product in the supermarket
- Thawing process

**Opportunities**

- Educating consumers about Show Circuit’s dog food
Growing population of dog ownership
Growing popularity of organic dog food
Dominating the new frozen dog food market

**Threats**

- Competitor’s price
- The market has 50 dog food manufacturers and 350 dog food brands in the U.S.
- Nestle Purina Petcare, Iams, Hills Pet Nutrition, MarketFoods USA and Del Monte Foods, Inc holds 75% of the market share.
- Acceptance from supermarkets to provide freezer space.
- Challenges that arise from being a frozen dog food
- Timely to prepare
- May expire quicker than its competitors
- Little opportunity to target people over 54 years
- Transitioning into the retail dog food market

**Creative Strategy**

First in Show Pet Foods Inc. plans to position its Show Circuit dog food to be a high quality dog food at an affordable price. When a customer thinks of their dog as being a part of the family, Show Circuit wants to be the first dog food that comes to the mind of the customer. Because the company does not see much opportunity in the elderly population of dog owners, Show Circuit is more so targeted towards parent, single and married dog owners who earn at least $25,000 annually and are between the ages of 21 and 54. Although Show Circuit is a quality dog food, it is not popular in the homes of dog owners. Show Circuit has to now find a
way to navigate from the market of show dog owners and create a relationship with the market of average dog owners. In order to make Show Circuit more marketable to the supermarkets, the company must first create a sales packet to explain why the supermarkets should invest in Show Circuit and create freezer space for the product.

Show Circuit’s Media Strategy Analysis

As mentioned in the article, the creative media strategy is broken down into three segments; collateral, newspaper/magazine and television advertising. Collateral advertising is utilized to get Show Circuit’s products out into the supermarkets. It is also the most critical stage of the campaign. Newspapers and Magazines are used to grab consumers’ attention by introducing the product and giving the audience a short description of the products’ history. The company’s plan is to utilize this form of media by producing coupons in the newspapers/magazines. Issuing out coupons is a motivation trial method to get consumers to go out and try this product. If the trial goes well, the demand for Show Circuit products will increase. If the demand is high, Show Circuit can increase the price of its product and therefore the company’s profit will increase. Television ads will be used to inform consumers on the location of the product in the supermarkets.

Although Show Circuit’s Media plan has been thought out, however there are a few problems the company may encounter. One problem with the media strategy is that the television ad messages are not effectively emphasizing the location of Show Circuit’s dog food in the supermarkets. For example, the commercial with the little boy hiding the dog in his jacket and the announcer is informing the customers about Show Circuit’s dog food were not effective. The reason why this commercial was not effective is that the announcer stated where the dog
food was located at the end of the commercial and the little boy had already walked out the store. The announcer should have stated the location at the beginning and then state facts about the product. The purpose of the television ads is to indicate location.

Another method for the television ads was to create brand awareness. The commercial with the old lady enjoying the streak dinner was not effective. A better approach to this commercial is to address the product benefits and make a comparison between the old lady eating a good dinner and her dog eating his dinner. The ending of the commercial should end with a close-up view of the product and an ending slogan stating, “Shouldn’t your dog eat as well as you do?” The guilt concept will draw many emotions from the consumers.

The last issue with the media strategy is its spending cost on television. The bulk of Show Circuit budget is going towards television cost in which the company can cut back on it. The Late Show with David Letterman is not beneficial for the company to create brand awareness. The reason we don’t see it as beneficial are; (1) is the Letterman show really going to target dog-lovers/owners as its audience (2) is the show being aired at a reasonable time where a lot of viewers will see it. I recommend that the company create a lower budget; possibly the 500,000 budget plus the 30,000 slotting fees, because the company is taking out too much money for television ads.

**Projections**

Projections for the sales of Show Circuit is to sell at least 2,374,169 15oz cases in the first year of launch at $8.50 per case. It is concluded that the company will meet its breakeven point at $19,184,710.03. This number is the sum of the cost of production and all of the marketing campaign fees. Selling each case at $8.50 per case will result in profit gains of $16,810,541.03 in the first year.
Recommendations

As far as pricing, Show Circuit dog food should not price its product at any price. The company should set a standard price no less than $8.50. In this manner, the company will ultimately exceed its revenue by a large sum. Because this is a new product in the retail dog food industry, Show Circuit should not be an extremely high, yet not extremely low either. It is known to be a high quality dog food so to maintain its elegant image, the price must not be too low and to be accessible to all dog owners, it should not be too expensive. Even though this is so, if the demand increases or decreases after the first year of launching, the price may then be considered to be altered.

As mentioned before, First in Show Dog Food should also consider cutting spending cost on television advertisements. The Davis Letterman Show is a waste of the company’s budget. In addition, the company should place emphasis on just targeting only 21 – 54 year old adults, but it should also consider targeting the 30 – 40 percent of elderly population. The elder adults are individuals who will be more likely to read the newspaper advertisements when compared to the younger generation. This company should increase the number of retailers that carry its product and not just focus on supermarkets. The company should invest in selling its products in the pet stores as well.