The Iowa Turkey Cooperative experience—West Liberty Foods, continued from page 3

All of their product is co-manufactured. This trend bodes very well for the future of West Liberty Foods.

Private Label

Private label food production is very different today from the old generic labeled product you used to see in the grocery store. Major retailers today want to place their store's name on upper end, high quality products. The private label business in 2000 grew at a rate of almost 10 percent. Branded product had a flat growth year. Most branded producers do not want to produce private label products, thus a continuing avenue of opportunity exists for West Liberty Foods.

Food Safety

Food safety is the issue of the new millennium. If you are planning to build a food production facility, you have a golden opportunity to build a state-of-the-art facility with food safety as the integral part. At West Liberty Foods we inherited an existing facility. We continue to remodel our facility to provide the safest environment for food production. An example of this is our newly completed segregated facilities for our cook side employees. This means no daily contact between raw side and cook side employees. If you expect to be chosen by major food companies and by retailers as the production facility of choice, you had better provide a reason for them to select your company.

Building your brand with Flanker Brands

by Nancy Giddens, agricultural extension value-added marketing specialist, Missouri Value-added Development Center, University of Missouri; and Amanda Hofmann, student research assistant

This article is second in a five-part series on building a brand and developing it in the marketplace. The previous article outlined the importance of branding and the process of creating a brand for a new product. This article moves ahead to developing flanker brands.

What is a flanker brand?

A flanker brand is a new brand introduced into the market by a company that already has an established brand in the same product category. ***The new brand is designed to compete in the category without damaging the existing item's market share by targeting a different group of consumers.*** This strategy, also called fighter branding or multibranding, is used to achieve a larger total market share than one product could garner alone. Companies with multiple brands in a single product category generally have the following types of products in their portfolios:

- A premium brand that offers high quality at a higher price.
- One or more "value" brands offering a slightly lower quality or a different set of benefits for a lower price.

For example, General Mills markets both Gold Medal and Robin Hood brand flours. Gold Medal serves as a premium product and commands a premium price from consumers who value quality. However, Robin Hood offers a lower-priced product with a slightly lower level of quality for those who are more heavily influenced by the price of products within a category.

Why is flanker branding important?

Flanker branding is important because it allows a company to attract new customers from various market segments. The main brand of a company's portfolio should target the market segment containing the most consumers. Another brand can then be positioned to convert users from other market segments by using a different set of benefits or product characteristics. For example, Proctor and Gamble's (P&G) Tide is an extremely successful laundry detergent. In order to appeal to consumers who desired a lower-cost detergent, P&G introduced Cheer, which is a slightly lower quality product offered at a value price. While Tide's sales dropped slightly with the introduction of the new brand, the combined sales of Cheer and Tide were higher than Tide's original sales alone, allowing P&G to gain a greater market share. ***A company's brands should attract customers from competing brands and not each other.***

There are a number of advantages to developing a flanker brand:

- Gain more shelf space for the company, which increases retailer dependence on the company's brands.
- Capture "brand switchers" by offering several brands.
- Develop excitement within the company by monitoring sales figures of the different brands.
- Protect the company – giving a product its own unique name means it will not be readily associated with the existing brand. This reduces risk to the existing brand and/or company if the product fails.

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- Companies with a high-quality existing product can introduce lower-quality brands without diluting their high-quality brand names. For example, Farmland markets three separate brand name hams: Carando, Farmland and Ohse. Carando, a premium product with a distinctive spicy flavor is targeted toward individuals who desire high quality and authentic Italian flavor in hams. Due to these qualities, Carando commands a premium price. Farmland brand hams are more middle of the road – good quality, traditional hams targeted toward family-minded consumers who desire quality but also pay close attention to price. Finally, Ohse is a value product – its lower level of quality is reflected in its bargain price. The Farmland name only is attached to the Farmland product, leaving consumers with a separate view of each brand. They do not lose respect for the quality of the Carando or Farmland branded products because of the lower quality of the Ohse products because there is not a clear connection between the three brands.

Developing flanker brands does present challenges. Introducing a new brand is quite costly. Creating another independent brand requires name research and substantial advertising expenditures to create name recognition and preference for the new brand.

Will Flanker Branding Work for You?

Flanker branding is not for everyone. There are a number of questions that must be answered in order to make the best decision for your situation. The most basic questions include:

- Can my existing brand be changed enough that a new brand will have unique qualities that will appeal to a separate group of consumers?
- Are these new qualities believable?
- How will the new brand impact my existing brand(s)?
- How will the new brand impact competitors' brands?
- Will the cost of product development and promotion be covered by the sales of the new brand?

A flanker branding strategy can be very effective if implemented appropriately. The next article in this series will examine another type of branding – product line extensions.

This is not your father's ol'-farm-bill!

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Many of you will remember the advertising jingle, "This is not your father's Oldsmobile." Well, with apologies to General Motors and despite what I read in the press about the 2002 Farm Bill beating a hasty retreat from the free market reforms that have been in the works since 1985 and were fully implemented in the 1996 Farm Bill, I keep hearing this jingle running through my head, "This is not your father's ol'-farm-bill."

Neither is it, as some wags would have it, "Back to the Future: Part Ag." Michael J. Fox need not apply for a starring role because there is little in this farm bill that reflects traditional farm policy.

Those who would call the 2002 Farm Bill "Freedom to Farm on Steroids," "Super Freedom to Farm," or "Freedom to Farm Plus" are much closer to the truth. The legislation that was recently signed into law by the president is clearly the offspring of Freedom to Farm and bears little resemblance to the traditional farm programs of the 1930s through the 1970s.

Some analysts seem to be suggesting that because the 2002 Farm Bill includes high government costs and large payments to farmers it is a return to what they call "the failed policies of the past." High government costs are not an essential feature of the traditional farm programs that have roots going back to the 1930s.

Rather, the essential features of traditional farm programs are:

- supply control mechanisms;
- price supports with an accompanying stock inventory mechanism; and
- more recently, a structured buffer stock program designed to stabilize prices both on the bottom and on the top.

Even though the 2002 Farm Bill uses some terms from these types of programs it does not depend on any of these traditional policy mechanisms.

Instead of these traditional policy instruments, the 2002 Farm Bill is firmly rooted in the policies that

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