

Food and Agricultural Products Center



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Consumers Looking to Local and Store Brands

STILLWATER, Okla. – Kraft Foods announced a weak second quarter earnings this month. The reason given to their stockholders was an inability to compete with other brands on price, particularly in their commodity areas such as Oscar Mayer meat products and Maxwell House coffee.

It is well known by marketers that although price is a key element in retail purchases, price alone is not the only consideration for a shopper, said J. Roy Escoubas, Oklahoma Food and Agricultural Products Research and Technology Center director.

“When a strong national brand fails to be competitive on price, a shopper entertains other elements such as appearance, portion size and convenience and local name recognition including store brands,” Escoubas said.

Earlier this year, the Center released results of a statewide survey showing that Oklahoma shoppers were more likely to buy a “Made-In-Oklahoma” product by nearly 2-to-1, said Chuck Willoughby, Center business planning and marketing associate.

D.C. Smith, director of private brands for Griffin Foods based in Muskogee, Okla. affirms this trend.

“Not only has there been a recent increase in sales of our products (Griffin brand), but sales of the private label products we produce have grown as well,” Smith said. “Our efforts to deliver an affordable product of a premium quality have made ‘Griffin’ a household name for many Oklahoma families.”

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*J. Roy Escoubas
Center Director*

Smith attributes a lot of their success to the collaborative marketing efforts of the MIO coalition.

It is important for local or regional manufacturers to take advantage of these market penetration

opportunities when they are available, Escoubas said. Within some range, shoppers tend to be product/brand faithful. When they do try a local or regional brand and they find that it fully meets and exceeds their expectations, they will likely repurchase.

“The MIO coalition has not only focused on the retail promotion of Oklahoma products but also has emphasized to Oklahoma manufacturers the concept of market sensitivity,” he said. “That is, Oklahoma processors must work to keep their costs down while striving to deliver the best product on the market.”

Willoughby said it is not often that a consumer products industry leader like Kraft Foods misses their marketing objectives.

“When this rarely occurs, the MIO coalition helps Oklahoma producers to be prepared to take and keep market share,” Willoughby said. “Make sure you support Oklahoma businesses and the Made-In-Oklahoma coalition. It’s good for you and good for Oklahoma.”

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J. Roy Escoubas is the director at the Food and Agricultural Products Center. He may be contacted at (405) 744-6071 or escouba@okstate.edu. Chuck Willoughby is a business marketing and planning associate at the Food and Agricultural Products Center. He may be contacted at (405) 744-6071 or cwillou@okstate.edu.

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